

TOWN OF VIDALIA, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF JUNE 30, 2022
AND FOR THE YEAR THEN ENDED
WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP
CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

TOWN OF VIDALIA, LOUISIANA
 Annual Financial Statements
 as of and for the Year Ended June 30, 2022
 With Supplementary Information Schedules

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Annual Financial Statements
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With Supplementary Information Schedules

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INDEPENDENT AUDITOR'S REPORT

Mayor and Members of the Board of Aldermen
Town of Vidalia, Louisiana
Vidalia, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Vidalia, Louisiana as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Town of Vidalia, Louisiana's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Vidalia, Louisiana (the Town) as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 and the budgetary comparison schedules, the schedule of the Town's proportionate share of the net pension liability, and the schedule of the Town's contributions on pages 52 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion nor provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of compensation of the governing board; the schedule of compensation, benefits, and other payments to agency head; and combining nonmajor fund financial statements but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

This report is intended for the information of the Mayor, members of the Board of Aldermen, management of Town of Vidalia, Louisiana, and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Natchez, Mississippi
December 13, 2022

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

TOWN OF VIDALIA, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

The management of Town of Vidalia, Louisiana (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. This management's discussion and analysis is designed to provide an objective analysis of the Town's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of the Town's finances. It is also intended to provide readers with an analysis of the Town's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Town. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next- and subsequent-year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Overview of the Financial Statements

This section is intended to serve as an introduction to the Town's financial statements. The Town's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

Government-Wide Financial Statements

Government-wide financial statements are designed to provide readers with a concise "entity-wide" Statement of Net Position and Statement of Activities, which seek to give the user of the financial statements a broad overview of the Town's financial position and results of operations in a manner similar to private-sector businesses.

The Statement of Net Position presents information on all of the Town's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or weakening.

The Statement of Activities presents information which shows how the government's net position changed during this fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes).

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines, and intergovernmental revenues; for example, the police and fire departments. Business-type activities are functions that are intended to support their costs through charges for services or fees such as the gas, electric, water, and sewer departments.

TOWN OF VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Government-Wide Financial Analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the Town's assets exceeded its liabilities by \$74,899,161 (net position); this represents an increase of \$12,845,506 from last fiscal year. The Town's net position is comprised of \$60,475,288 from governmental activities and \$14,423,873 from business-type activities.

The following is a condensed statement of the Town's net position as of June 30, 2022 and 2021:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets						
Current and other assets	\$ 30,592,916	\$ 19,503,753	\$ 3,757,083	\$ 1,498,361	\$ 34,349,999	\$ 21,002,114
Capital assets (net)	<u>45,231,492</u>	<u>45,539,382</u>	<u>17,390,531</u>	<u>17,162,781</u>	<u>62,622,023</u>	<u>62,702,163</u>
Total	<u>\$ 75,824,408</u>	<u>\$ 65,043,135</u>	<u>\$ 21,147,614</u>	<u>\$ 18,661,142</u>	<u>\$ 96,972,022</u>	<u>\$ 83,704,277</u>
Deferred outflows of resources	<u>\$ 2,186,414</u>	<u>\$ 2,299,331</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,186,414</u>	<u>\$ 2,299,331</u>
Liabilities						
Other liabilities	\$ 1,851,569	\$ 2,353,261	\$ 2,349,740	\$ 1,900,385	\$ 4,201,309	\$ 4,253,646
Long-term liabilities	<u>12,842,879</u>	<u>15,537,472</u>	<u>4,374,001</u>	<u>3,286,001</u>	<u>17,216,880</u>	<u>18,823,473</u>
Total liabilities	<u>\$ 14,694,448</u>	<u>\$ 17,890,733</u>	<u>\$ 6,723,741</u>	<u>\$ 5,186,386</u>	<u>\$ 21,418,189</u>	<u>\$ 23,077,119</u>
Deferred inflows of resources	<u>\$ 2,841,086</u>	<u>\$ 872,834</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,841,086</u>	<u>\$ 872,834</u>
Net Position						
Invested in capital assets	\$ 45,231,492	\$ 45,539,382	\$ 17,390,531	\$ 17,162,781	\$ 62,622,023	\$ 62,702,163
Less related debt	<u>(6,851,128)</u>	<u>(6,880,732)</u>	<u>(4,374,001)</u>	<u>(3,286,001)</u>	<u>(11,225,129)</u>	<u>(10,166,733)</u>
Net of related debt	<u>\$ 38,380,364</u>	<u>\$ 38,658,650</u>	<u>\$ 13,016,530</u>	<u>\$ 13,876,780</u>	<u>\$ 51,396,894</u>	<u>\$ 52,535,430</u>
Restricted	2,592,296	2,657,067	-	-	2,592,296	2,657,067
Unrestricted (deficit)	<u>19,502,628</u>	<u>7,263,182</u>	<u>1,407,343</u>	<u>(402,024)</u>	<u>20,909,971</u>	<u>6,861,158</u>
Total net position	<u>\$ 60,475,288</u>	<u>\$ 48,578,899</u>	<u>\$ 14,423,873</u>	<u>\$ 13,474,756</u>	<u>\$ 74,899,161</u>	<u>\$ 62,053,655</u>

By far, the largest portion of the Town's net position (\$51,396,894 or 69%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, Town infrastructure, etc.) less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The Town has total outstanding debt of \$11,225,129, which was used to finance some of the \$62,622,023 capital assets. (For more detailed information on the Town's debt and capital assets, see pages 30 through 34.) Total liabilities of \$21,418,189 are equal to 22% of the total assets.

TOWN OF VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Government-Wide Financial Analysis (continued)

The Town's governmental activities increased net position by \$11,896,389. Business-type activities increased net position by \$949,117.

Governmental Activities

The governmental activities of the Town include general government, public safety, public works, economic development, and payment of interest on long-term debt. Revenues and expenditures related to the Town's involvement in the S. A. Murray Hydro Electric Station are also included in governmental activities. In that revenues normally associated with municipal operations (e.g., sales tax, property tax, franchise fees, license fees, sanitation fees, permits, fines, and operating grants) are insufficient for the funding of these activities, the Town has relied on transfers of excess revenue from its enterprise funds to cover the cost of all activities other than economic development. Economic development activities in the majority are funded by capital grants and contributions.

The following is a summary of the statement of activities:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Revenue</u>						
Program revenue	\$ 3,873,266	\$ 4,433,395	\$ 15,240,920	\$ 13,007,403	\$ 19,114,186	\$ 17,440,798
General revenue	29,458,919	18,250,768	662	153	29,459,581	18,250,921
Total revenue	<u>\$ 33,332,185</u>	<u>\$ 22,684,163</u>	<u>\$ 15,241,582</u>	<u>\$ 13,007,556</u>	<u>\$ 48,573,767</u>	<u>\$ 35,691,719</u>
<u>Expenses</u>						
General and administrative	\$ 13,543,973	\$ 11,304,856	\$ -	\$ -	\$ 13,543,973	\$ 11,304,856
Public safety	4,696,288	5,471,408	-	-	4,696,288	5,471,408
Public works	2,696,001	2,729,594	-	-	2,696,001	2,729,594
Economic development	388,064	331,615	-	-	388,064	331,615
Combined utility	-	-	13,684,373	11,186,087	13,684,373	11,186,087
Convention Center	-	-	474,636	475,099	474,636	475,099
Interest on long-term debt	244,926	263,842	-	-	244,926	263,842
Total expenses	<u>\$ 21,569,252</u>	<u>\$ 20,101,315</u>	<u>\$ 14,159,009</u>	<u>\$ 11,661,186</u>	<u>\$ 35,728,261</u>	<u>\$ 31,762,501</u>
Net Transfers - in (out)	<u>\$ 133,456</u>	<u>\$ 1,871,369</u>	<u>\$ (133,456)</u>	<u>\$ (1,871,369)</u>	<u>\$ -</u>	<u>\$ -</u>
Change in net position	<u>\$ 11,896,389</u>	<u>\$ 4,454,217</u>	<u>\$ 949,117</u>	<u>\$ (524,999)</u>	<u>\$ 12,845,506</u>	<u>\$ 3,929,218</u>
Net position, beginning	<u>\$ 48,578,899</u>	<u>\$ 44,124,682</u>	<u>\$ 13,474,756</u>	<u>\$ 13,999,755</u>	<u>\$ 62,053,655</u>	<u>\$ 58,124,437</u>
Net position, ending	<u>\$ 60,475,288</u>	<u>\$ 48,578,899</u>	<u>\$ 14,423,873</u>	<u>\$ 13,474,756</u>	<u>\$ 74,899,161</u>	<u>\$ 62,053,655</u>

TOWN OF VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Business-Type Activities

The business-type activities of the Town are those that charge a fee to customers for the services provided. The Town has two business-type activities, which are accounted for as enterprise funds. The Town uses enterprise funds to account for the revenues and expenses related to the provision of gas, electric, water, and sewer services (combined utility fund), and for rental of the Bryant Hammett Conference and Convention Center (Riverfront Development Fund).

The following is a summary of the Utility Fund (business-type activity) of the Town:

	Operating Revenues Net of Purchases and Sales Tax					
	Gas	Electric	Water	Sewer	Office	Total Utility
Fiscal year ended June 30, 2021	\$ 886,049	\$ 3,895,335	\$ 834,744	\$ 570,296	\$ -	\$ 6,186,424
Fiscal year ended June 30, 2022	<u>873,316</u>	<u>3,494,248</u>	<u>804,723</u>	<u>594,036</u>	<u>-</u>	<u>5,766,323</u>
Increase (decrease) between years	<u>\$ (12,733)</u>	<u>\$ (401,087)</u>	<u>\$ (30,021)</u>	<u>\$ 23,740</u>	<u>\$ -</u>	<u>\$ (420,101)</u>

	Operating Expenses					
	Gas	Electric	Water	Sewer	Office	Total Utility
Fiscal year ended June 30, 2021	\$ 397,429	\$ 2,203,300	\$ 1,170,024	\$ 479,146	\$ 143,281	\$ 4,393,180
Fiscal year ended June 30, 2022	<u>497,107</u>	<u>1,988,012</u>	<u>1,258,862</u>	<u>399,485</u>	<u>119,460</u>	<u>4,262,926</u>
Increase (decrease) between years	<u>\$ 99,678</u>	<u>\$ (215,288)</u>	<u>\$ 88,838</u>	<u>\$ (79,661)</u>	<u>\$ (23,821)</u>	<u>\$ (130,254)</u>

	Net Income (Loss) From Operations					
	Gas	Electric	Water	Sewer	Office	Total Utility
Fiscal year ended June 30, 2021	\$ 488,620	\$ 1,692,035	\$ (335,280)	\$ 91,150	\$ (143,281)	\$ 1,793,244
Fiscal year ended June 30, 2022	<u>376,209</u>	<u>1,506,236</u>	<u>(454,139)</u>	<u>194,551</u>	<u>(119,460)</u>	<u>1,503,397</u>
Increase (decrease) between years	<u>\$ (112,411)</u>	<u>\$ (185,799)</u>	<u>\$ (118,859)</u>	<u>\$ 103,401</u>	<u>\$ 23,821</u>	<u>\$ (289,847)</u>

TOWN OF VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Business-Type Activities (continued)

The reasons for major fluctuations previously noted are as follows:

Net income from utility fund operations decreased \$289,847 from \$1,793,244 in the previous year to \$1,503,830 in the current year.

Net operating transfers out were \$479,956, leaving the utility fund with a net income of \$1,023,874.

Fund Financial Statements - Governmental Funds

The fund financial statements provide more detailed information about the Town's most significant funds, not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for a particular purpose.

The Town maintains four individual governmental fund types. These fund types are general, special revenue, debt service, and capital projects funds. Information is presented separately in the Governmental Funds Balance Sheet (Statement C) and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Statement E) for the general fund, sales tax fund, and hydro royalty fund, which are considered to be major funds. Transactions of the remaining governmental funds are combined and shown as other governmental funds on these statements. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining financial statements in the Other Information portion of this report, beginning on page 60.

The Town adopts an annual budget for its governmental funds. A statement of revenues, expenditures, and changes in fund balance for the general fund is presented in the Basic Financial Statements Section, which compares actual revenues and expenditures to the original budget and amended budget figures. Budgeted amounts for the remainder of the governmental funds are presented in the individual fund statements.

Financial Analysis of the Town's Governmental Funds

The Town's governmental funds reported combined ending fund balances of \$28,779,854, which is an increase of \$10,853,404. This increase was primarily caused by an increase in Hydro royalty income.

Fund Financial Statements - Proprietary Funds

The Town maintains two proprietary funds. Proprietary funds are used to report the same functions as business-type activities. The Town uses enterprise funds (the first type of proprietary fund) to account for its combined gas, electric, water, and sewer operations and a second enterprise fund to account for the operations of the Bryant Hammett Conference and Convention Center. These enterprise funds report the same functions presented as business-type activities in the government-wide financial statements.

TOWN OF VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Fund Financial Statements – Proprietary Funds (continued)

Financial Analysis of the Town's Proprietary Funds

The Town's utility operation proprietary funds shows an increase in ending fund balance of \$1,023,874. Overall, all departments' operating incomes decreased in total \$289,847 from 2021. The biggest contributor to the decrease was the electric department.

The Town's Riverfront Development Fund's addition to the business-type activities resulted in an decrease of fund balance in the amount of \$74,757.

In that financial statements of enterprise funds are presented on the same basis of accounting as in both the government-wide financial statements and the individual fund statements, all comments and analyses made under business-type activities apply to these funds.

Capital Asset and Debt Administration

The total investment in net capital assets as of June 30, 2022, is \$62,622,023, as compared to \$62,702,163 as of the end of the previous fiscal year.

As of June 30, 2022, the Town's total outstanding debt was \$11,225,127. Principal payments of \$569,697 are due during the upcoming fiscal year. These obligations are financed through a 1% sales tax collected within the corporate limits of Vidalia, excess hydro funds, and general surplus revenues.

Budgetary Highlights

Actual general fund revenues for the year ended June 30, 2022, were over budgeted revenues by \$55,823. Actual general fund expenditures were under total budgeted expenditures by \$300,281, resulting in a positive variance. Actual hydro royalty fund revenues for the year ended June 30, 2022, were over budgeted revenues by \$160,419. The hydro royalty fund and the sales tax fund showed negative variances for total expenditures of \$5,011 and \$1,555, respectively. The sales tax fund showed a negative variance for total revenues of \$103,591.

Current Financial Factors

The Town maintained its gas and electric rates, as mandated by ordinance. The Town imposes a power cost adjustment to all electric customer's bill which fluctuates over time. The gas rate is determined each month based on budgetary factors. The utility fund was able to generate net revenues of \$5,766,233. \$6,366,200 was transferred for the support of general fund activities. Net revenues from the hydro royalty fund were used for the support of the utility fund activities. During the fiscal year just ended, the hydro royalty fund provided \$6,186,244 towards the operations of the utility fund as compared to \$3,834,157 in the previous year.

In the event that the net revenues of the hydro royalty fund would decrease due to a low water/low production year, the Town has established reserves and has reduced operating expenses, which will help to support the general and utility fund activities without cutting services to the Town's citizens.

TOWN OF VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Debra Moak, Town Accountant, Post Office Box 2010, Vidalia, Louisiana 71373.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF VIDALIA, LOUISIANA

STATEMENT OF NET POSITION

JUNE 30, 2022

	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 4,379,220	\$ 1,049,696	\$ 5,428,916
Receivables (net of allowances for uncollectibles)	416,282	1,955,951	2,372,233
Internal balances	(339,697)	339,697	-
Due from other agencies	10,098,559	-	10,098,559
Due from other governments	86,059	-	86,059
Restricted assets	15,945,163	411,069	16,356,232
Other assets	7,330	670	8,000
Capital assets (net)	45,231,492	17,390,531	62,622,023
Total assets	<u>\$ 75,824,408</u>	<u>\$ 21,147,614</u>	<u>\$ 96,972,022</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
	<u>\$ 2,186,414</u>	<u>\$ -</u>	<u>\$ 2,186,414</u>
<u>LIABILITIES</u>			
Accounts, salaries, and other payables	\$ 1,517,134	\$ 1,938,671	\$ 3,455,805
Payable from restricted assets	-	411,069	411,069
Interest payable	38,508	-	38,508
Accrued liabilities	165,022	-	165,022
Other liabilities	130,905	-	130,905
Compensated absences payable	594,937	-	594,937
Bonds and capital lease payable, due within one year	569,697	-	569,697
Bonds and capital lease payable, beyond one year	6,281,429	4,374,001	10,655,430
Net pension liability	5,396,816	-	5,396,816
Total liabilities	<u>\$ 14,694,448</u>	<u>\$ 6,723,741</u>	<u>\$ 21,418,189</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
	<u>\$ 2,841,086</u>	<u>\$ -</u>	<u>\$ 2,841,086</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	\$ 38,380,364	\$ 13,016,530	\$ 51,396,894
Restricted for:			
Debt service	321,344	-	321,344
Capital projects	(98,905)	-	(98,905)
Special revenues	2,369,857	-	2,369,857
Unrestricted	19,502,628	1,407,343	20,909,971
Total net position	<u>\$ 60,475,288</u>	<u>\$ 14,423,873</u>	<u>\$ 74,899,161</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF VIDALIA, LOUISIANA

STATEMENT B

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

	Expenses	Program Revenues			Net (Expenses)/ Revenues	Net (Expenses), Revenues, and Changes		Total
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-Type Activities	
Governmental Activities								
General government	\$ 13,543,973	\$ 2,744,090	\$ -	\$ -	\$ (10,799,883)	\$ (10,799,883)	\$ -	\$ (10,799,883)
Public safety	4,696,288	120,326	411,598	-	(4,164,364)	(4,164,364)	-	(4,164,364)
Public works	2,696,001	572,230	-	-	(2,123,771)	(2,123,771)	-	(2,123,771)
Economic development	388,064	-	25,022	-	(363,042)	(363,042)	-	(363,042)
Interest on long-term debt	244,926	-	-	-	(244,926)	(244,926)	-	(244,926)
Total governmental activities	\$ 21,569,252	\$ 3,436,646	\$ 436,620	\$ -	\$ (17,695,986)	\$ (17,695,986)	\$ -	\$ (17,695,986)
Business-Type Activities								
Gas	\$ 3,162,631	\$ 3,538,840	\$ -	\$ -	\$ 376,209	\$ -	\$ 376,209	\$ 376,209
Electric	8,744,089	10,238,853	-	-	1,494,764	-	1,494,764	1,494,764
Water	1,258,862	804,723	-	-	(454,139)	-	(454,139)	(454,139)
Sewer	518,791	594,036	-	-	75,245	-	75,245	75,245
Convention Center	474,636	64,468	-	-	(410,168)	-	(410,168)	(410,168)
Total business-type activities	\$ 14,159,009	\$ 15,240,920	\$ -	\$ -	\$ 1,081,911	\$ -	\$ 1,081,911	\$ 1,081,911
Total	\$ 35,728,261	\$ 18,677,566	\$ 436,620	\$ -	\$ (16,614,075)	\$ (17,695,986)	\$ 1,081,911	\$ (16,614,075)
General Revenue								
Property taxes						\$ 129,773	\$ -	\$ 129,773
Sales taxes						3,714,883	-	3,714,883
Franchise taxes						18,841	-	18,841
Beer taxes						8,897	-	8,897
Occupational licenses						243,770	-	243,770
Investment earnings						23,229	662	23,891
Hydro royalties						25,018,519	-	25,018,519
Other general revenues						301,007	-	301,007
Transfers						133,456	(133,456)	-
Total general revenues and transfers						\$ 29,592,375	\$ (132,794)	\$ 29,459,581
Change in net position						\$ 11,896,389	\$ 949,117	\$ 12,845,506
Net position - beginning						\$ 48,578,899	\$ 13,474,756	\$ 62,053,655
Net position - ending						\$ 60,475,288	\$ 14,423,873	\$ 74,899,161

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

TOWN OF VIDALIA, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2022

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Hydro Royalty Fund	Sales Tax Fund		
<u>ASSETS</u>					
Cash	\$ 1,702,167	\$ 15,945,163	\$ 1,405,072	\$ 1,271,981	\$ 20,324,383
Receivables (net of allowances for uncollectibles)	114,274	1,529	223,651	76,828	416,282
Prepays	7,330	-	-	-	7,330
Due from other agencies	-	9,900,000	-	198,559	10,098,559
Due from other governments	86,059	-	-	-	86,059
Due from other funds	170,081	-	60,500	790,202	1,020,783
Total assets	<u>\$ 2,079,911</u>	<u>\$ 25,846,692</u>	<u>\$ 1,689,223</u>	<u>\$ 2,337,570</u>	<u>\$ 31,953,396</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 418,062	\$ 995,119	\$ 44,335	\$ 59,618	\$ 1,517,134
Accrued liabilities	157,421	-	-	7,601	165,022
Due to other funds	15,671	216,620	580,952	547,238	1,360,481
Other liabilities	-	-	-	130,905	130,905
Total liabilities	<u>\$ 591,154</u>	<u>\$ 1,211,739</u>	<u>\$ 625,287</u>	<u>\$ 745,362</u>	<u>\$ 3,173,542</u>
Fund balances:					
Restricted:					
Capital projects	\$ -	\$ -	\$ -	\$ (98,905)	\$ (98,905)
Debt service	-	-	-	321,344	321,344
Special revenue funds	-	2,369,857	-	-	2,369,857
Committed funds, reported in:					
Special revenue funds	-	22,265,096	-	-	22,265,096
Assigned, special revenue	-	-	1,063,936	1,369,769	2,433,705
Unassigned, reported in:					
General fund	1,488,757	-	-	-	1,488,757
Total fund balances	<u>\$ 1,488,757</u>	<u>\$ 24,634,953</u>	<u>\$ 1,063,936</u>	<u>\$ 1,592,208</u>	<u>\$ 28,779,854</u>
Total liabilities and fund balances	<u>\$ 2,079,911</u>	<u>\$ 25,846,692</u>	<u>\$ 1,689,223</u>	<u>\$ 2,337,570</u>	<u>\$ 31,953,396</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF VIDALIA, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

JUNE 30, 2022

Fund Balances, Total Governmental Funds (Statement C)		\$	28,779,854
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Net capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			45,231,492
Deferred outflows and inflows are not financial resources or currently payable.			
Deferred outflows	\$	2,186,414	
Deferred inflows		<u>(2,841,086)</u>	(654,672)
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Accrued interest payable	\$	(38,507)	
Bonds payable		(6,851,126)	
Compensated absences payable		(594,937)	
Net pension liability		<u>(5,396,816)</u>	<u>(12,881,386)</u>
Net Position of Governmental Activities (Statement A)			<u>\$ 60,475,288</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF VIDALIA, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Hydro Royalty Fund	Sales Tax Fund		
REVENUES					
Taxes:					
Ad valorem	\$ 129,773	\$ -	\$ -	\$ -	\$ 129,773
Sales and use	-	-	2,725,359	989,524	3,714,883
Other taxes, penalties, interest, etc.	18,841	-	-	-	18,841
Licenses and permits	252,665	-	-	-	252,665
Intergovernmental revenues:					
State	370,480	-	-	66,140	436,620
Fines and forfeitures	52,273	-	-	68,053	120,326
Charges for services	572,230	2,744,090	-	-	3,316,320
Investment earnings	2,584	17,960	2,450	235	23,229
Hydro royalties	-	25,018,519	-	-	25,018,519
Other revenues	190,977	-	-	110,030	301,007
Total revenues	<u>\$ 1,589,823</u>	<u>\$ 27,780,569</u>	<u>\$ 2,727,809</u>	<u>\$ 1,233,982</u>	<u>\$ 33,332,183</u>
EXPENDITURES					
General government	\$ 1,909,586	\$ 11,405,011	\$ -	\$ 503,326	\$ 13,817,923
Public safety:					
Police	2,657,491	-	-	-	2,657,491
Fire	1,659,210	-	-	-	1,659,210
Ambulance	-	-	-	774,030	774,030
Public works:					
Streets	1,364,494	-	85,943	-	1,450,437
Sanitation	550,579	-	-	-	550,579
Mechanic shop	285,672	-	-	-	285,672
Capital outlay	417,930	-	445,612	79,067	942,609
Debt service:					
Principal	117,175	-	-	111,618	228,793
Interest and fiscal fees	30,782	-	-	214,710	245,492
Total expenditures	<u>\$ 8,992,919</u>	<u>\$ 11,405,011</u>	<u>\$ 531,555</u>	<u>\$ 1,682,751</u>	<u>\$ 22,612,236</u>
Excess of revenues (expenditures)	<u>\$ (7,403,096)</u>	<u>\$ 16,375,558</u>	<u>\$ 2,196,254</u>	<u>\$ (448,769)</u>	<u>\$ 10,719,947</u>

TOWN OF VIDALIA, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Hydro Royalty Fund	Sales Tax Fund		
<u>OTHER FINANCING SOURCES (USES)</u>					
Long-term debt issued	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers - in	7,693,484	-	-	668,442	8,361,926
Transfers - out	(369,132)	(6,186,244)	(1,585,000)	(88,093)	(8,228,469)
Total other financing sources (uses)	\$ 7,324,352	\$ (6,186,244)	\$ (1,585,000)	\$ 580,349	\$ 133,457
Net change in fund balance	\$ (78,744)	\$ 10,189,314	\$ 611,254	\$ 131,580	\$ 10,853,404
Fund balances - beginning	\$ 1,567,501	\$ 14,445,639	\$ 452,682	\$ 1,460,628	\$ 17,926,450
Fund balances - ending	\$ 1,488,757	\$ 24,634,953	\$ 1,063,936	\$ 1,592,208	\$ 28,779,854

The accompanying notes are an integral part of this financial statement.

TOWN OF VIDALIA, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

Net Changes in Fund Balances, Total Governmental Funds (Statement E)	\$ 10,853,404
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period and the cost of asset disposals.	(507,077)
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The proceeds of long-term debt provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of the principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal retired	228,793
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Net pension expense is reported in governmental funds as expenditures as they are paid; however, in the statement of activities, the net position expense is reported according to estimates required by GASB 68. This is the amount that the pension estimate exceeds the pension expenses paid in the current year.	1,375,174
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount is the net effect of these differences in the treatment of interest paid on debt and current year additions to compensated absences.	<u>(53,905)</u>
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Change in Net Position of Governmental Activities (Statement B)	<u>\$ 11,896,389</u>
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The accompanying notes are an integral part of this financial statement.

PROPRIETARY FUNDS

TOWN OF VIDALIA, LOUISIANA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2022

	Business-Type Activities		
	Utility Fund	Riverfront Development Fund	Total Enterprise Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,049,696	\$ -	\$ 1,049,696
Receivables (net of allowances for uncollectibles)	1,955,951	-	1,955,951
Prepays	-	670	670
Due from other funds	226,002	241,113	467,115
Total current assets	<u>\$ 3,231,649</u>	<u>\$ 241,783</u>	<u>\$ 3,473,432</u>
Noncurrent assets:			
Restricted assets:			
Cash	\$ 411,069	\$ -	\$ 411,069
Capital assets (net of accumulated depreciation)	11,365,915	6,024,616	17,390,531
Total noncurrent assets	<u>\$ 11,776,984</u>	<u>\$ 6,024,616</u>	<u>\$ 17,801,600</u>
Total assets	<u>\$ 15,008,633</u>	<u>\$ 6,266,399</u>	<u>\$ 21,275,032</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 885,773	\$ 75,919	\$ 961,692
Accrued liabilities	931,644	45,335	976,979
Due to other funds	32,885	94,533	127,418
Total current liabilities	<u>\$ 1,850,302</u>	<u>\$ 215,787</u>	<u>\$ 2,066,089</u>
Current liabilities payable from restricted assets:			
Consumer deposits	\$ 411,069	\$ -	\$ 411,069
Total current liabilities payable from restricted assets	<u>\$ 411,069</u>	<u>\$ -</u>	<u>\$ 411,069</u>
Long-term liabilities			
Bonds and capital lease payable, beyond one year	\$ 4,374,001	\$ -	\$ 4,374,001
Total long-term liabilities	<u>\$ 4,374,001</u>	<u>\$ -</u>	<u>\$ 4,374,001</u>
Total liabilities	<u>\$ 6,635,372</u>	<u>\$ 215,787</u>	<u>\$ 6,851,159</u>
NET POSITION			
Invested in capital assets, net of related debt	\$ 6,991,914	\$ 6,024,616	\$ 13,016,530
Unrestricted	1,381,347	25,996	1,407,343
Total net position	<u>\$ 8,373,261</u>	<u>\$ 6,050,612</u>	<u>\$ 14,423,873</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF VIDALIA, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities		
	Utility Fund	Riverfront Development Fund	Total Enterprise Funds
<u>OPERATING REVENUES</u>			
Charges for services:			
Gas sales	\$ 3,538,840	\$ -	\$ 3,538,840
Electricity sales	10,238,853	-	10,238,853
Water sales	804,723	-	804,723
Sewer charges	594,036	-	594,036
Rental charges	-	53,150	53,150
Other services	11,318	-	11,318
Total operating revenues	<u>\$ 15,187,770</u>	<u>\$ 53,150</u>	<u>\$ 15,240,920</u>
<u>OPERATING EXPENSES</u>			
Purchases and sales tax	\$ 9,421,447	\$ -	\$ 9,421,447
Salaries and benefits	2,459,830	216,962	2,676,792
Materials and supplies	628,649	28,824	657,473
Other services and charges	546,358	159,062	705,420
Depreciation	628,089	69,788	697,877
Total operating expenses	<u>\$ 13,684,373</u>	<u>\$ 474,636</u>	<u>\$ 14,159,009</u>
Operating income (loss)	<u>\$ 1,503,397</u>	<u>\$ (421,486)</u>	<u>\$ 1,081,911</u>
Nonoperating income			
Investment earnings	\$ 433	\$ 229	\$ 662
Total nonoperating income	<u>\$ 433</u>	<u>\$ 229</u>	<u>\$ 662</u>
Income (loss) before transfers	\$ 1,503,830	\$ (421,257)	\$ 1,082,573
<u>OPERATING TRANSFERS AND CONTRIBUTIONS</u>			
Transfers - in	5,886,244	346,500	6,232,744
Transfers - out	(6,366,200)	-	(6,366,200)
Change in net position	<u>\$ 1,023,874</u>	<u>\$ (74,757)</u>	<u>\$ 949,117</u>
Total net position - beginning	<u>\$ 7,349,387</u>	<u>\$ 6,125,369</u>	<u>\$ 13,474,756</u>
Total net position - ending	<u>\$ 8,373,261</u>	<u>\$ 6,050,612</u>	<u>\$ 14,423,873</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF VIDALIA, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities		
	Utility Fund	Riverfront Development Fund	Total Enterprise Funds
Cash flows from operating activities			
Receipts from customers and users	\$ 14,784,264	\$ 63,150	\$ 14,847,414
Payments to suppliers	(10,371,008)	(118,947)	(10,489,955)
Payments to employees	(1,823,468)	(219,473)	(2,042,941)
Net cash provided by (used for) operating activities	\$ 2,589,788	\$ (275,270)	\$ 2,314,518
Cash flows from noncapital financing activities			
Net change in amounts due from/to other funds	\$ (1,442,141)	\$ 58,841	\$ (1,383,300)
Transfers from other funds	5,886,244	346,500	6,232,744
Transfers to other funds	(6,366,200)	-	(6,366,200)
Net cash provided by (used for) noncapital financing activities	\$ (1,922,097)	\$ 405,341	\$ (1,516,756)
Cash flows from capital and related financing activities			
Issuance of long-term debt	\$ 1,088,000	\$ -	\$ 1,088,000
Purchases of fixed assets	(794,926)	(130,701)	(925,627)
Net cash provided by (used for) capital and related financing activities	\$ 293,074	\$ (130,701)	\$ 162,373
Cash flows from investing activities			
Interest on temporary investments	\$ 433	\$ 229	\$ 662
Net cash provided by investing activities	\$ 433	\$ 229	\$ 662
Net increase (decrease) in cash and cash equivalents	\$ 961,198	\$ (401)	\$ 960,797
Cash and cash equivalents, beginning of year	499,567	401	499,968
Cash and cash equivalents, end of year	\$ 1,460,765	\$ -	\$ 1,460,765
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ 1,503,397	\$ (421,486)	\$ 1,081,911
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	\$ 628,089	\$ 69,788	\$ 697,877
Change in assets and liabilities			
Decrease (increase) in accounts receivable	(429,282)	-	(429,282)
Decrease in due from other agencies	25,446	-	25,446
Increase in due from other governments	-	10,000	10,000
(Increase) decrease in prepaids	-	1,611	1,611
Increase (decrease) in accounts payable and overdrafts	225,446	67,328	292,774
Increase (decrease) in accrued liabilities and deposits	636,692	(2,511)	634,181
Total adjustments	\$ 1,086,391	\$ 146,216	\$ 1,232,607
Net cash provided by (used for) operating activities	\$ 2,589,788	\$ (275,270)	\$ 2,314,518

The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Town of Vidalia, Louisiana (the Town) was incorporated April 1, 1901, under the provisions of the Lawrason Act. The Town operates under the Mayor/Board of Aldermen form of government and provides the following services as authorized by the Lawrason Act: public safety (police, fire, and ambulance); streets; sanitation; health; culture-recreation; public improvements; planning and zoning; provision of gas, electric, and water utilities; sewer services; and general administrative services.

The accounting and reporting policies of the Town conform to generally accepted accounting principles as applicable to governments in the United States of America.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Town's executive and legislative branches (the Mayor and Board of Aldermen). The scope of the governmental entity included in this report was determined by applying the criteria established by GASB Statement 14.

The application of these criteria revealed no additional governmental reporting entities, which would be properly included in these financial statements.

The Town Marshall's balances and transactions are accounted for in the City Marshall Fund.

B. Basis of Presentation

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWN OF VIDALIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Hydro Royalty Fund is used to account for the revenues and expenses of the Town's participation in the hydroelectric project.

The Sales Tax Fund is used to account for the collection and expenditure of sales tax revenues as provided by ordinance.

The Port Access Fund is used to account for capital outlay projects related to Port infrastructure and facilities.

The Industrial Park Fund is used to account for capital outlay projects related to the industrial park.

The municipality reports the following major proprietary funds:

The Utility Fund is used to account for the provision of gas, electric, and water utilities, as well as sewer services to residents of the Town and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, related debt service, and billing and collection.

The Riverfront Development Fund is used to account for the collection and expenditure of revenues earned from the rental of the Town's conference and convention center.

TOWN OF VIDALIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the municipality's policy to use restricted resources first then unrestricted resources as they are needed.

D. Cash and Cash Equivalents

The municipality's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six months or less from the date of acquisition. State law and the municipality's investment policy allow the municipality to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized through the establishment of an allowance account at the time information becomes available, which would indicate the uncollectibility of the particular receivable.

TOWN OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Receivables and Payables (continued)

The Town annually levies ad valorem taxes in accordance with state statute for the fiscal year ended June 30. Tax bills are prepared and delivered in October with payment due from the date of receipt to the last day of February. Because of the due dates noted previously, ad valorem taxes are not considered to be available resources of the fiscal year to which they apply and are, therefore, not accrued at the end of the fiscal year.

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Concordia Parish.

For the year ended June 30, 2022, taxes of 3.37 mills were levied on property with assessed valuations totaling \$38,296,920 after abatements and exemptions and were dedicated as follows:

General corporate purposes	3.37 mills
Total taxes levied were	\$ 129,061

F. Inventories

Since inventories of the proprietary fund consist of items normally capitalized upon acquisition, amounts considered in the computation of operating expenses are immaterial and, therefore, not reflected.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Restricted Assets

Restricted assets were applicable to the following at June 30, 2022:

Hydro Royalty Fund Cash and Equivalents - Governmental Activities	\$ 15,945,163
Consumer deposits - Business-Type Activities	<u>411,069</u>
Total	<u>\$ 16,356,232</u>

I. Capital Assets

Capital acquisitions and construction are reflected as expenditures in the Governmental Fund statements, and the related assets are reported as capital assets in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost, or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of \$2,500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

TOWN OF VIDALIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets (continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Streets and parking areas	15 - 40 Years
Improvements other than buildings	10 - 40 Years
Buildings and structures	10 - 40 Years
Machinery and equipment	5 - 10 Years

J. Compensated Absences

The Town has implemented GASB Statement 16, *Accounting for Compensated Absences*. Under GASB Statement 16, a liability for unpaid vacation that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to benefits.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

K. Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

L. Equity Classification

Equity is classified as net position and displayed in three components: (1) invested in capital assets, net of related debt – consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets; (2) restricted net position – consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributions or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation; and (3) unrestricted net position – all other net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

TOWN OF VIDALIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Equity Classification (continued)

The government-wide statement of net position reports \$2,592,296 of restricted net position, all of which is restricted by enabling legislation.

Beginning with fiscal year 2012, the Town implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Aldermen establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Aldermen through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, and unassigned. Proprietary fund equity is classified the same as in the government-wide statements.

TOWN OF VIDALIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Town follows procedures established by Louisiana Revised Statute in the preparation and adoption of its annual operating budgets as follows:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than 15 days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least 10 days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget amounts are as originally adopted, or as amended from time to time by the Board of Aldermen.

The following individual funds had a deficit in unassigned or restricted fund balance at June 30, 2022:

Fund	Deficit Amount
Port Access Fund	\$ 309,696

TOWN OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 2022, the municipality has cash and cash equivalents (book balances) totaling \$21,785,148 as follows:

Demand deposits	\$ 18,511,888
Time deposits	3,270,040
Cash on hand and NSF checks	<u>3,220</u>
Total	<u>\$ 21,785,148</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2022, the municipality has \$21,881,674 in deposits (collected bank balances). These deposits are secured from risk by \$875,216 of federal deposit insurance and \$24,934,654 of pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3).

Though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Proprietary Funds' Statement of Revenues, Expenses, and Changes in Net Position that sum to the total of the same such amounts shown in the Statement of Cash Flows.

Cash and cash equivalents	\$ 1,049,696
Restricted cash	<u>411,069</u>
Total cash, cash equivalents, and restricted cash shown in the Statement of Cash Flows	<u>\$ 1,460,765</u>

Amounts shown in restricted cash represent those required to be set aside for utility consumer deposits.

NOTE 4 - RECEIVABLES

The receivables of \$2,372,233 at June 30, 2022, are as follows:

<u>Class of Receivables</u>	<u>Governmental Funds</u>	<u>Business-Type Funds</u>	<u>Totals</u>
Taxes:			
Ad valorem	\$ 11,102	\$ -	\$ 11,102
Sales and use	279,563	-	279,563
Town Court	83,661	-	83,661
Utility accounts	103,173	2,162,819	2,265,992
Accrued interest	1,529	-	1,529
Allowance for uncollectibles	<u>(62,746)</u>	<u>(206,868)</u>	<u>(269,614)</u>
Totals	<u>\$ 416,282</u>	<u>\$ 1,955,951</u>	<u>\$ 2,372,233</u>

TOWN OF VIDALIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units at June 30, 2022, consisted of the following:

<u>Due From</u>	<u>General Fund</u>
State of Louisiana	\$ 28,000
Concordia Parish	58,059
Totals	<u>\$ 86,059</u>

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A summary of individual receivables and payables reflected as "Due To or Due From Other Funds" follows:

<u>Fund</u>	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 170,081	\$ 15,671
Hydro Royalty Fund	-	216,620
Sales Tax Fund	60,500	580,952
Other Governmental Funds	790,202	547,238
Riverfront Development Fund	226,002	32,885
Utility Fund	241,113	94,532
Totals	<u>\$ 1,487,898</u>	<u>\$ 1,487,898</u>

Interfund transfers during the year ended June 30, 2022, were as follows:

<u>Fund</u>	<u>Interfund Transfer</u>	
	<u>In</u>	<u>Out</u>
General Fund	\$ 7,693,484	\$ 369,133
Hydro Royalty Fund	-	6,186,244
Sales Tax Fund	-	1,585,000
Other Governmental Funds	668,442	88,093
Riverfront Development Fund	346,500	-
Utility Fund	5,886,244	6,366,200
Totals	<u>\$ 14,594,670</u>	<u>\$ 14,594,670</u>

Transfers are primarily used to move funds from:

- The Proprietary Funds to the General Fund to cover capital expenditures and general operations.
- The Hydro Royalty Fund to the Utility Fund, as further described in Note 16.
- The Hydro Royalty Fund to the Debt Service Fund to finance capital improvement-related debt.
- The Sales Tax Fund to the General Fund to cover general operations.

TOWN OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 7 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2022, are as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 5,794,880	\$ -	\$ -	\$ 5,794,880
Construction in progress	<u>357,722</u>	<u>-</u>	<u>(230,804)</u>	<u>126,918</u>
Total capital assets, not being depreciated	<u>\$ 6,152,602</u>	<u>\$ -</u>	<u>\$ (230,804)</u>	<u>\$ 5,921,798</u>
Capital assets, being depreciated:				
Buildings and structures	\$ 26,111,419	\$ -	\$ -	\$ 26,111,419
Improvements other than buildings	12,182,696	461,683	-	12,644,379
Machinery and equipment	5,942,795	353,435	-	6,296,230
Streets and parking areas	<u>16,139,681</u>	<u>557,482</u>	<u>-</u>	<u>16,697,163</u>
Total capital assets being depreciated	<u>\$ 60,376,591</u>	<u>\$ 1,372,600</u>	<u>\$ -</u>	<u>\$ 61,749,191</u>
Less accumulated depreciation for:				
Buildings and structures	\$ (3,125,882)	\$ (268,405)	\$ -	\$ (3,394,287)
Improvements other than buildings	(5,311,855)	(388,993)	-	(5,700,848)
Machinery and equipment	(4,558,751)	(284,056)	-	(4,842,807)
Streets and parking areas	<u>(7,993,323)</u>	<u>(508,232)</u>	<u>-</u>	<u>(8,501,555)</u>
Total accumulated depreciation	<u>\$ (20,989,811)</u>	<u>\$ (1,449,686)</u>	<u>\$ -</u>	<u>\$ (22,439,497)</u>
Total capital assets being depreciated, net	<u>\$ 39,386,780</u>	<u>\$ (77,086)</u>	<u>\$ -</u>	<u>\$ 39,309,694</u>
Total assets, net	<u>\$ 45,539,382</u>	<u>\$ (77,086)</u>	<u>\$ (230,804)</u>	<u>\$ 45,231,492</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 685,589	\$ -	\$ -	\$ 685,589
Construction in progress	<u>3,796,460</u>	<u>606,891</u>	<u>-</u>	<u>4,403,351</u>
Total capital assets, not being depreciated	<u>\$ 4,482,049</u>	<u>\$ 606,891</u>	<u>\$ -</u>	<u>\$ 5,088,940</u>
Capital assets, being depreciated:				
Buildings and structures	\$ 7,629,176	\$ -	\$ -	\$ 7,629,176
Improvements other than buildings	1,545,009	61,900	-	1,606,909
Machinery and equipment	<u>21,405,361</u>	<u>256,836</u>	<u>-</u>	<u>21,662,197</u>
Total capital assets, being depreciated	<u>\$ 30,579,546</u>	<u>\$ 318,736</u>	<u>\$ -</u>	<u>\$ 30,898,282</u>

TOWN OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 7 - CAPITAL ASSETS (continued)

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Less accumulated depreciation for:				
Buildings and structures	\$ (931,656)	\$ (36,325)	\$ -	\$ (967,981)
Improvements other than buildings	(36,640)	(1,429)	-	(38,069)
Machinery and equipment	<u>(16,930,518)</u>	<u>(660,123)</u>	<u>-</u>	<u>(17,590,641)</u>
Total accumulated depreciation	<u>\$ (17,898,814)</u>	<u>\$ (697,877)</u>	<u>\$ -</u>	<u>\$ (18,596,691)</u>
Total capital assets being depreciated, net	<u>\$ 12,680,732</u>	<u>\$ (379,141)</u>	<u>\$ -</u>	<u>\$ 12,301,591</u>
Total capital assets, net	<u>\$ 17,162,781</u>	<u>\$ 227,750</u>	<u>\$ -</u>	<u>\$ 17,390,531</u>

Depreciation expense of \$1,449,686 for the year ended June 30, 2022, was charged to the following governmental functions:

General government	\$ 268,173
Public safety	384,136
Public works	409,313
Economic development	<u>388,064</u>
Total	<u>\$ 1,449,686</u>

NOTE 8 - CONSTRUCTION COMMITMENTS

The municipality has active construction projects as of June 30, 2022. At year-end, the commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Electric substation project	\$ 4,368,491	\$ 2,631,509
Port access road project phase 2	<u>297,840</u>	<u>3,200,000</u>
Total	<u>\$ 4,666,331</u>	<u>\$ 5,831,509</u>

TOWN OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the years ended June 30, 2022 and 2021:

	<u>Long-Term Debt and Capital Leases Payable</u>				
	<u>Revenue Bonds</u>	<u>General Obligation Bonds</u>		<u>Capital</u>	<u>Totals</u>
	<u>Electric Utility</u>			<u>Leases and</u>	
<u>2020 Series</u>	<u>USDA #2</u>	<u>USDA #3</u>	<u>Notes</u>		
Payable at June 30, 2021	\$ 3,286,001	\$ 85,143	\$ 6,095,992	\$ 699,597	\$ 10,166,733
Issuance of debt	1,088,000	-	-	199,187	1,287,187
Principal retired	-	(1,555)	(110,062)	(117,176)	(228,793)
Payable at June 30, 2022	<u>\$ 4,374,001</u>	<u>\$ 83,588</u>	<u>\$ 5,985,930</u>	<u>\$ 781,608</u>	<u>\$ 11,225,127</u>

	<u>Long-Term Debt and Capital Leases Payable</u>				
	<u>Revenue Bonds</u>	<u>General Obligation Bonds</u>		<u>Capital</u>	<u>Totals</u>
	<u>Electric Utility</u>			<u>Leases and</u>	
<u>2020 Series</u>	<u>USDA #2</u>	<u>USDA #3</u>	<u>Notes</u>		
Payable at June 30, 2020	\$ 100,001	\$ 86,698	\$ 6,206,054	\$ 847,310	\$ 7,240,063
Issuance of debt	3,186,000	-	-	-	3,186,000
Principal retired	-	(1,555)	(110,062)	(147,713)	(259,330)
Payable at June 30, 2021	<u>\$ 3,286,001</u>	<u>\$ 85,143</u>	<u>\$ 6,095,992</u>	<u>\$ 699,597</u>	<u>\$ 10,166,733</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Current portion	\$ 569,697	\$ 196,419
Long-term portion	<u>10,655,430</u>	<u>9,970,314</u>
Total	<u>\$ 11,225,127</u>	<u>\$ 10,166,733</u>

General Obligation Bond dated November 1, 2012, in the amount of \$96,000, USDA #2

Financing obtained from USDA to pay off interim financing for the construction of municipal complex to house administrative, police, and fire functions. Note-bearing interest at 3.5% with first payment of interest only due August 9, 2016, with monthly payments of principal and interest thereafter and matures August 9, 2052. Debt is secured by a pledge of excess municipal revenues including, but not limited to, the Hydro Royalty Fund.

\$	83,588	\$	85,143
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TOWN OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

General Obligation Bond dated November 1, 2012, in the amount of \$6,841,000, USDA #3

Financing obtained from USDA to pay off interim financing for the construction of municipal complex to house administrative, police, and fire functions. Note-bearing interest at 3.5% with first payment of interest only due August 9, 2016, with monthly payments of principal and interest thereafter and matures August 9, 2052. Debt is secured by a pledge of excess municipal revenues including, but not limited to, the Hydro Royalty Fund.

5,985,930 6,095,992

Capital lease dated December 21, 2015, in the amount of \$798,332

Financing obtained through Southside Bank for the purchase of a fire truck, fifteen payments of principal and interest due in the amount of \$70,932, with interest at 3.83% and matures in December 2030.

531,610 580,338

Capital lease dated June 24, 2019, in the amount of \$188,444

Financing obtained through Bancorp South Equipment Finance for the purchase of a 2020 International Garbage Truck, 36 payments of principal and interest due in the amount of \$3,379 monthly and a lump sum final payment of \$85,000 at maturity, with interest at 4.29% and matures in December 2020.

83,186 119,259

Capital lease dated May 19, 2022, in the amount of \$199,187

Financing obtained through Bancorp South Equipment Finance for the purchase of a 2022 Freightliner 106 Garbage Truck, 36 payments of principal and interest due in the amount of \$3,250 monthly and a lump sum final payment of \$100,987 at maturity, with interest at 2.97% and matures in June 2022.

166,812 -

Electric Utility Revenue Bonds, Series 2020, in the amount of \$7,000,000

Financing obtained through Revenue Bonds, to construct and acquire extensions and improvements to the Town's electric utility system. Note-bearing interest at 6.0% with first payment of interest only due September 1, 2020, with semi-annual payments of principal and interest thereafter and matures March 1, 2040. Debt is secured by a pledge of revenues of the electric utility system.

4,374,001 3,286,001

\$ 11,225,127 \$ 10,166,733

TOWN OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 - LONG-TERM OBLIGATIONS (continued)

At June 30, 2022, the municipality has accumulated \$321,344 in the debt service funds for future debt requirements. The bonds and notes are due as follows:

<u>Year ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Totals</u>
2023	\$ 569,697	\$ 462,095	\$ 1,031,793
2024	506,049	445,880	951,929
2025	591,157	427,478	1,018,635
2026	504,990	410,520	915,510
2027	521,721	393,389	915,110
2028-2032	2,822,558	1,688,710	4,511,268
2033-2037	1,879,136	1,065,130	2,944,266
2038-2042	1,048,190	583,450	1,631,640
2043-2047	1,248,335	383,305	1,631,640
2048-2052	1,486,356	144,945	1,631,301
2053	<u>46,938</u>	<u>148</u>	<u>47,086</u>
Total	<u>\$ 11,225,127</u>	<u>\$ 6,005,050</u>	<u>\$ 17,230,178</u>

The municipality is legally restricted from incurring long-term bonded debt secured by sales and use taxes in excess of 75% of the avails of the tax. The municipality was within this 75% limitation when the sales tax bonds were issued.

NOTE 10 - SALES AND USE TAX REVENUES

- A. On July 17, 1999, a special election was held, at which the citizens of Vidalia approved two individual propositions concerning (1) the levy and use of an additional 1% sales tax and (2) the use of the existing 1% sales tax, which was approved in 1970.

Generally, the propositions authorized the imposition of a new 1% sales tax for 18 years and dedicated the proceeds of both the new and existing sales tax for the acquisition, construction, extending, improving, maintaining, and/or operating public streets, drainage facilities, waterworks system facilities and improvements, and sewerage system facilities and improvements and authorized the Town to fund the proceeds of both sales taxes into bonds for any capital purpose set forth above.

During 2017, the citizens of Vidalia approved an extension of this 1% sales tax for a period of 18 years commencing on October 1, 2017, upon the sale at retail, the use, the lease or rental, the consumption, and the storage for use or consumption of tangible personal property and on sales of services in the Town, all as defined by law, inclusive, with the proceeds of the tax (after paying the reasonable and necessary expenses of collecting and administering the tax), to be dedicated and used for acquiring, constructing, extending, improving, maintaining, and/or operating public streets, drainage facilities, waterworks system facilities and improvements, and sewerage system facilities and improvements, and the Town shall be further authorized to fund the proceeds of the tax into bonds for any of the capital purposes set forth above to the extent and in the manner permitted by the laws of Louisiana.

- B. Proceeds of an additional 0.5% sales and use tax are dedicated to providing the community with ambulance service.

TOWN OF VIDALIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 - PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System (MERS), the Municipal Police Employees' Retirement System (MPERS), the Louisiana State Employees' Retirement System (LASERS), and the Municipal Firefighters' Retirement System (MFRS) and additions to/deductions from MERS's, MPERS's, LASERS's, and MFRS's fiduciary net position have been determined on the same basis as they are reported by MERS, MPERS, LASERS, and MFRS.

NOTE 12 - DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position reports a separate section of deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expenditure until then. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town's deferred outflows and deferred inflows are resources related to pensions.

NOTE 13 - PENSION PLANS

For the year ended June 30, 2022, the Town reports the following note disclosures as required by GASB Statement 68, *Accounting and Financial Reporting for Pensions*.

Substantially all employees of the Town are members of the following statewide retirement systems: Municipal Employees' Retirement System of Louisiana (MERS), Municipal Police Employees' Retirement System of Louisiana (MPERS), Louisiana State Employees' Retirement System (LASERS), or Municipal Firefighters' Retirement System of Louisiana (MFRS). These systems are cost-sharing, multiple-employer, defined-benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows.

A. Municipal Employees' Retirement System of Louisiana (MERS)

Plan Description. Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and a parish are not eligible for membership in the System with exceptions as outlined in the statutes.

Any person eligible for membership whose first employment making him eligible for membership in the System occurred on or after January 1, 2013, shall become a member of the MERS Plan A Tier 2 or MERS Plan B Tier 2 of the System as a condition of employment.

Any member of Plan B who commenced participation in the System prior to January 1, 2013, can retire providing he meets one of the following criteria:

1. Any age with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.

TOWN OF VIDALIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 – PENSION PLANS (continued)

A. Municipal Employees' Retirement System of Louisiana (MERS) (continued)

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Any member of Plan B Tier 2 shall be eligible for retirement if he meets one of the following criteria:

1. Age 67 with seven (7) years of creditable service.
2. Age 62 with ten (10) years of creditable service.
3. Age 55 with thirty (30) years of creditable service.
4. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

The monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Upon the death of any member of Plan B with five (5) or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes.

Any member of Plan B who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan B, members are required by state statute to contribute 5% of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The rate for the fiscal year ended June 30, 2021, was 15.5% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans Parish) of the taxes shown to be collectible by the tax rolls of each Parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each Plan. The contribution requirements of Plan members and the Town are established and may be amended by state statute.

As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the System under Plan B for the years ending June 30, 2022 and 2021, were \$650,056 and \$623,967, respectively, equal to the required contributions for those years.

TOWN OF VIDALIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 - PENSION PLANS (continued)

A. Municipal Employees' Retirement System of Louisiana (MERS) (continued)

Actuarial Assumptions. The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2021
Actuarial cost method	Entry Age Normal Cost
Expected remaining service lives	3 years
Investment rate of return	6.85%
Inflation rate	2.5%
Salary increases, including inflation and merit increases	1-4 years of service : 7.4%; More than 4 years of service: 4.9%
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimate of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2021, is summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	53%	2.31%
Public fixed income	38%	1.65%
Alternatives	9%	0.39%
Totals	100%	4.35%
Inflation		2.60%
Expected arithmetic nominal return		6.95%

TOWN OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 - PENSION PLANS (continued)

B. Municipal Police Employees' Retirement System of Louisiana (MPERS)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System.

Membership Prior to January 1, 2013:

A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are 3½% of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10% of the member's average final compensation or \$200 per month, whichever is greater.

Membership Commencing January 1, 2013:

Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are 3% (generally) and 2½%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 25% to 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or \$200 per month whichever is greater. If deceased member had less than 10 years of service, beneficiary will receive a refund of employee contributions only.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

TOWN OF VIDALIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 - PENSION PLANS (continued)

B. Municipal Police Employees' Retirement System of Louisiana (MPERS) (continued)

Funding Policy. Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

For the year ended June 30, 2021, total contributions due from employers and employees were as follows:

	Contribution Rates		
	Employee	Employer	Total
Members hired prior to 1/1/2013	10.00%	33.75%	43.75%
Hazardous Duty Members hired after 1/1/2013	10.00%	33.75%	43.75%
Non Hazardous Duty Members hired after 1/1/2013	8.00%	33.75%	41.75%
Members whose earnable compensation is less than the poverty guidelines	7.50%	36.25%	43.75%

The Town's contributions to the System for the years ending June 30, 2022 and 2021, were \$156,223 and \$125,995, respectively, equal to the required contributions for those years.

Actuarial assumptions. The total pension liability as of June 30, 2021, is based on actuarial valuations and assumptions as follows:

Valuation date	June 30, 2021	
Actuarial cost method	Entry Age Normal Cost	
Investment rate of return	6.750%, net of investment expense	
Expected remaining service lives	2021 - four years 2020 - four years 2019 - four years 2018 - four years	
Inflation rate	2.50%	
Salary increases, including inflation and merit	Years of Service	Salary Growth Rate
	1-2	12.30%
	Above 2	4.70%
Mortality	Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 sale, was used for healthy annuitants and beneficiaries.	

TOWN OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 - PENSION PLANS (continued)

B. Municipal Police Employees' Retirement System of Louisiana (MPERS) (continued)

Mortality (continued)	<p>Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale, was used for disabled lives.</p> <p>Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale, was used for active members.</p>
Cost-of-living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on Plan data for the period July 1, 2014 through June 30, 2019, and review of similar law enforcement mortality. A change was made to full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity	55.50%	3.48%
Fixed income	30.50%	0.59%
Alternatives	14.00%	1.01%
Totals	<u>100.00%</u>	<u>5.08%</u>
Inflation		<u>2.22%</u>
Expected arithmetic nominal return		<u>7.30%</u>

C. Municipal Firefighters' Retirement System of Louisiana (MFRS)

Plan Description. Membership in the Louisiana Municipal Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipality, Parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

TOWN OF VIDALIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 - PENSION PLANS (continued)

C. Municipal Firefighters' Retirement System of Louisiana (MFRS) (continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Firefighters' Retirement System of Louisiana, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (225) 925-4060.

Funding Policy. Plan members are required by state statute to contribute 10.0% of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The rate for the fiscal year ended June 30, 2022, is 32.25% of annual covered payroll. The contribution requirements of Plan members and the Town are established and may be amended by state statute.

As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the System for the years ending June 30, 2022 and 2021, were \$365,879 and \$314,231, respectively, equal to the required contributions for those years.

Actuarial Methods. For each year, the actuary determines the reasonable range of the actuarial valuation interest rate, an expected long-term portfolio rate of return and standard deviation based upon the System's target asset allocation and a thirty-year time horizon. These rates were based on an analysis of the System's portfolio along with expected long-term rates of return, standard deviations of return, and correlations between asset classes collected from a number of investment consulting firms in addition to the System's investment consultant, NEPC, L.L.C. Using these values and assuming that future portfolio returns are normally distributed, ten thousand trials of returns over the upcoming thirty years was performed. The results of these trials were organized into percentiles and a reasonable range, equal to the 40th through 60th percentiles, was set. For the fiscal year ended June 30, 2021, the reasonable range was set at 6.19% through 7.33% and the Board of Trustees elected to set the System's assumed rate of return at 6.90% for Fiscal 2021. For the fiscal year ended June 30, 2020, the reasonable range was set at 5.99% through 7.06% and the Board of Trustees elected to set the System's assumed rate of return at 7.00% for Fiscal 2020. The actuarial valuation interest rates selected by the board, which were within the reasonable range, were 6.90% and 7.00% for fiscal years 2021 and 2020, respectively.

The remaining actuarial assumptions utilized for fiscal year 2021 are based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2019. The assumptions for fiscal year 2020 were based on the results of an actuarial experience study for the period July 1, 2009 through June 30, 2014.

Additional information on the actuarial methods and assumptions used as of the June 30, 2021 actuarial valuations follows:

Valuation date	June 30, 2021
Actuarial cost method	Entry Age Normal Cost
Actuarial assumptions:	
Estimated remaining service life	Seven years, closed period
Investment rate of return	6.90% per annum

TOWN OF VIDALIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 - PENSION PLANS (continued)

C. Municipal Firefighters' Retirement System of Louisiana (MFRS) (continued)

Inflation rate	2.5% per annum							
Mortality	<p>Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale, was used for healthy annuitants and beneficiaries.</p> <p>Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale, was used for disabled lives.</p> <p>Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale, was used for active members.</p>							
Salary increases, including inflation and merit	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Years of Service</th> <th style="text-align: center; border-bottom: 1px solid black;">Salary Growth Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1-2</td> <td style="text-align: center;">14.10%</td> </tr> <tr> <td style="text-align: center;">3+</td> <td style="text-align: center;">5.20%</td> </tr> </tbody> </table>	Years of Service	Salary Growth Rate	1-2	14.10%	3+	5.20%	
Years of Service	Salary Growth Rate							
1-2	14.10%							
3+	5.20%							
Cost-of-living adjustments	Only those previously granted.							

The estimated long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.50%. Best estimates of real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2021, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
U.S. Core Fixed Income	18.00%	0.97%
Emerging Market Debt	5.00%	2.75%
U.S. TIPS	3.00%	0.40%
U.S. Equity	27.50%	5.86%
Non-U.S. Equity	11.50%	6.44%
Global Equity	10.00%	6.40%
Emerging Market Equity	7.00%	8.64%
Real Estate	6.00%	5.31%

- continued -

TOWN OF VIDALIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 - PENSION PLANS (continued)

C. Municipal Firefighters' Retirement System of Louisiana (MFRS) (continued)

Private Equity	9.00%	9.53%
Global Tactical Asset Allocation	0.00%	4.17%
Real Assets	3.00%	0.00%
Risk Parity	0.00%	4.17%
Totals	100%	
Inflation		2.50%

D. Louisiana State Employees' Retirement System (LASERS)

Plan Description. The System was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of LA R.S. 11:401, as amended, for eligible state officers, employees, and their beneficiaries. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. The following is a description of the Plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing 10 years of creditable service, depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service, and those hired on or after July 1, 2015, may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. The System also provides disability and survivor's benefits. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired on July 1, 2006, or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the members' age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

TOWN OF VIDALIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 - PENSION PLANS (continued)

D. Louisiana State Employees' Retirement System (LASERS) (continued)

Act 992 of the 2010 Louisiana Regular Legislative Session changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service, and may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous-duty members are eligible to retire with 12 years of creditable service at age 55, 25 years of creditable service at any age, or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, the hazardous-duty plan will receive a 3.33% accrual rate, and judges will receive a 3.5% accrual rate. The extra 1% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous-duty employees have the option to transition to the new hazardous-duty plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to LASERS, Post Office Box 44213, Baton Rouge, Louisiana 70804; or by visiting the Louisiana Legislative Auditor website, www.lla.la.gov; or by calling (225) 922-0600.

Funding Policy. Plan members are required by state statute to contribute 9.5% of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The rate for the fiscal year ended June 30, 2022, is 45.3% of annual covered payroll. The contribution requirements of Plan members and the Town are established and may be amended by state statute.

As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the System for the years ending June 30, 2022 and 2021, were \$67,019 and \$54,724, respectively, equal to the required contributions for those years.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021, is as follows:

Valuation date	June 30, 2021
Actuarial cost method	Entry Age Normal
Expected remaining service lives	2 years
Investment rate of return	7.40% per annum, net of investment expenses
Inflation rate	2.3% per annum

TOWN OF VIDALIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 - PENSION PLANS (continued)

D. Louisiana State Employees' Retirement System (LASERS) (continued)

Mortality

Non-disabled members - Mortality rates based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis.

Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

Termination, disability, and retirement

Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members for 2019.

Salary increases

Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.0%	12.8%
Judges	2.6%	5.1%
Corrections	3.6%	13.8%
Hazardous duty	3.6%	13.8%
Wildlife	3.6%	13.8%

Cost-of-living adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.61% for 2021. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2021, are summarized in the following table:

TOWN OF VIDALIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 - PENSION PLANS (continued)

D. Louisiana State Employees' Retirement System (LASERS) (continued)

Expected long-term real rates of return:

Asset class	2021
Cash	-0.29%
Domestic equity	4.09%
International equity	5.12%
Domestic fixed income	0.49%
International fixed income	3.94%
Alternative investments	6.93%
Total fund	5.81%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the Town reported a liability of \$3,027,514; \$651,499; \$1,360,155; and \$357,648 for its proportionate share of the net pension liability for MERS, MPERS, MFRS, and LASERS, respectively. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating cities, actuarially determined. At June 30, 2021, the Town's proportion was 5.226081% for MERS, 0.122220% for MPERS, 0.383807% for MFRS, and 0.00015% for LASERS.

For the year ended June 30, 2022, the Town recognized pension expense of \$450,539, \$35,759, \$133,988, and \$25,074, for MERS, MPERS, MFRS, and LASERS, respectively. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	MERS	MPERS	MFRS	LASERS
Deferred inflows of resources:				
Differences between expected and actual experience	\$ (124,938)	\$ (20,064)	\$ (122,145)	\$ -
Changes of assumptions	-	(18,585)	-	-
Changes in proportion	(124,379)	(291,713)	(108,080)	-
Net difference between projected and actual earnings on pension plan investments	(818,156)	(304,199)	(825,422)	(83,405)
Total deferred inflows of resources	\$ (1,067,473)	\$ (634,561)	\$ (1,055,647)	\$ (83,405)

TOWN OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 - PENSION PLANS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

	<u>MERS</u>	<u>MPERS</u>	<u>MFRS</u>	<u>LASERS</u>
Changes in proportion and differences between Town contributions and proportionate share of contributions:				
Differences between expected and actual experience	\$ -	\$ -	\$ 19,410	\$ 353
Changes of assumptions	122,521	72,150	294,736	8,760
Changes in proportion	40,506	-	388,801	-
Town contributions subsequent to the measurement date	<u>650,056</u>	<u>156,223</u>	<u>365,879</u>	<u>67,019</u>
Total deferred outflows of resources	<u>\$ 813,083</u>	<u>\$ 228,373</u>	<u>\$ 1,068,826</u>	<u>\$ 76,132</u>

\$1,239,177 reported as deferred outflows of resources related to pensions resulting from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>MERS</u>	<u>MPERS</u>	<u>MFRS</u>	<u>LASERS</u>
Year ended June 30:				
2022	\$ (248,236)	\$ (179,922)	\$ (34,301)	\$ (5,361)
2023	(156,501)	(173,494)	(105,155)	(12,852)
2024	(212,199)	(104,190)	(157,809)	(18,949)
2025	(287,508)	(104,805)	(195,456)	(37,130)
2026	-	-	79,134	-
Thereafter	-	-	60,887	-

Discount Rate. The discount rate used to measure the total pension liability was 6.85% for MERS, 6.75% for MPERS, 6.90% for MFRS, and 7.40% for LASERS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and nonemployer entities will be made at the actuarially determined rates approved by the Board of Trustees and PRSAC, taking into consideration the recommendation of the system's actuary. Based on these assumptions, the system's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate. The following presents the Town's net pension liability for each of the pension plans calculated using the respective discount rates, as well as what the employer's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

TOWN OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 - PENSION PLANS (continued)

MERS:	Changes in Discount Rate		
	1% Decrease 5.85%	Current Discount Rate 6.85%	1% Increase 7.85%
Net Pension Liability	\$ 4,644,836	\$ 3,027,514	\$ 1,659,562
MPERS:	Changes in Discount Rate		
	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability	\$ 1,135,461	\$ 651,499	\$ 247,555
MFRS:	Changes in Discount Rate		
	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Net Pension Liability	\$ 2,609,358	\$ 1,360,155	\$ 318,334
LASERS:	Changes in Discount Rate		
	1% Decrease 6.40%	Current Discount Rate 7.40%	1% Increase 8.40%
Net Pension Liability	\$ 484,586	\$ 357,648	\$ 249,640

NOTE 14 - SEGMENT INFORMATION FOR UTILITY FUND

The Utility Fund operated by the Town provides gas, electric, water, and sewer utility services. The following is a summary of disclosures required by the National Council on Governmental Accounting in Interpretation 2, Segment Information for Enterprise Funds, Utility Departments only:

	Gas Utility	Electric Utility	Water Utility	Sewer Utility	Office	Total
Operating revenues	\$ 3,538,840	\$ 10,250,171	\$ 804,723	\$ 594,036	\$ -	\$ 15,187,770
Purchase of utility provided	(2,665,524)	(6,755,923)	-	-	-	(9,421,447)
Operating expenses	(497,107)	(1,771,670)	(1,105,329)	(176,165)	(84,566)	(3,634,837)
Depreciation	-	(216,342)	(153,533)	(223,320)	(34,894)	(628,089)
Operating income (loss)	\$ 376,209	\$ 1,506,236	\$ (454,139)	\$ 194,551	\$ (119,460)	\$ 1,503,397
Operating transfers, net						(479,956)
Interest income and grants						433
Net income						\$ 1,023,874

TOWN OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 15 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 16 - TOWN OF VIDALIA - HYDROELECTRIC PROJECT

On March 22, 1984, the Town entered into a conditional agreement with Catalyst Energy Development Corporation to enable Catalyst to successfully finance, develop, construct, operate, and maintain the Vidalia Hydroelectric Project to be located in the State of Louisiana between the Mississippi River and the Atchafalaya River near the U.S. Corps of Engineers' Old River Control Project.

On June 28, 1988, the Town and Catalyst Old River Hydroelectric Limited Partnership (successor to the rights and obligations of Catalyst Energy Development Corporation) entered into an agreement to amend and restate the March 22, 1984 agreement in its entirety. This agreement was again amended and restated on August 17, 1990, in its entirety. A general summary is as follows:

A. Payment of Royalties to Town of Vidalia, Louisiana

In consideration for its participation in this hydroelectric project, the Town will be entitled to royalty payments based on a percentage of gross revenues beginning with 3.75% in the first year of operations, graduated to 20% in the year 2022. All such payments shall be paid quarterly by depositing or transferring funds into a royalty account.

B. Restrictions on Revenues

Revenues derived from the Town's participation in the S. A. Murray, Jr. Hydro Station shall be deposited into a special bank account and designated as the "Town of Vidalia Hydro Royalty Fund." This fund is accounted for as a "Special Revenue Fund." These revenues shall be maintained and administered in the following order of priority and expended for the following express purposes:

1. Payments of all expenses and costs arising from the Town's participation in the S. A. Murray, Jr. Hydro Station.
2. Satisfaction of any debt requirements incurred to finance capital improvements, which were approved pursuant to the conditions as set forth in the following Item 7.
3. The establishment and maintenance of a reserve fund into which amounts shall be transferred, the total of which shall equal or exceed the highest amount possibly due under the Catalyst Vidalia Power Purchase Agreement in any two-month period of any upcoming calendar year.

TOWN OF VIDALIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 16 - TOWN OF VIDALIA - HYDROELECTRIC PROJECT (continued)

B. Restrictions on Revenues (continued)

4. The Town transfers to the utility fund each month the amount by which the Town's "normal" cost of electric power and energy exceeds 38 mills per kilowatt hour. "Normal" cost of power and energy is the amount paid per kilowatt hour under the current or future power purchase agreements exclusive of power purchased under economic development rate schedules or any other discounted rate schedule which results in a cost which is less than 38 mills per kilowatt hour.
5. The rebate of an amount, to be determined by the Mayor and Board of Aldermen, to the then current retail customers of the Town's municipal electric system. This amount shall not exceed 50% of the revenues remaining after payment of amounts noted in Items 1 through 4. The amount rebated to each class of retail customer shall be determined by applying to the total amount to be rebated the percentage which the gross margin from retail electric sales to each class of customer bears to total gross margin from all retail sales of electric power. This rebate will be based on kilowatt hour usage during the previous calendar year and shall not exceed 50% of each customer's total electric billing during that period. In all cases, the Town reserves the right to offset any and all amounts due it from individual customers.
6. The transfer to the Town's general fund is an amount necessary to offset any deficits incurred in the operation and maintenance of all nonutility municipal services.
7. Revenue not expended as previously stated shall be considered surplus revenue and may be used for any lawful corporate purpose after satisfying the following conditions:

The Mayor and Board of Aldermen shall annually compile a schedule of projects on which these surplus revenues are proposed to be expended. A summary of these projects shall be published and the public notified that details are available for public inspection. At the same time, a minimum of two public hearings shall be called to discuss the proposed projects and receive public input concerning possible alternative uses of surplus funds. After holding the required public hearings and giving due consideration of public input, the Board of Aldermen shall approve the expenditures of surplus funds for projects deemed to be in the best public interest.

None of the foregoing shall preclude the loaning of funds to any municipal entity of the Town providing that said loan with interest equal to the average rate of return on the investment of surplus municipal funds shall be repaid prior to the expiration of the term of the Mayor and Board of Aldermen authorizing said loan.

C. Option to Purchase the Hydroelectric Project

The partnership has granted to the Town an option to purchase, at any time on or after January 1, 2030, but before January 1, 2032, all of the partnership's rights, title, and interest in and to the hydroelectric project, as then constituted, subject to any permitted mortgages then outstanding at the price of (1) \$1,000 payable in cash at closing, and (2) the balance payable on or before the 15th of each month following the month in which the sale of the project occurs through December 31, 2132, in an amount equal to two-thirds of the cash available for distribution during the preceding month.

TOWN OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 16 - TOWN OF VIDALIA - HYDROELECTRIC PROJECT (continued)

This option shall be exercisable by the Town only by 12 months prior written notice given by the Town to the partnership provided, however, that the partnership shall give written notice to the Town during the year 2029 for the Town's exercise of its option to purchase.

NOTE 17 - EVALUATION OF SUBSEQUENT EVENTS

The Town has evaluated subsequent events through December 13, 2022, the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency due to a new strain of coronavirus originating in Wuhan, China, and the risk to the international community as the virus spread globally beyond its point of origination. In March of 2020, the WHO classified the COVID-19 outbreak a pandemic, based on the rapid increase in infection rates globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of the release of these financial statements. As such, the full impact that the pandemic will have on the Town's operations and financial reporting is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

TOWN OF VIDALIA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 121,000	\$ 121,000	\$ 148,614	\$ 27,614
Licenses and permits	233,000	233,000	252,665	19,665
Fines and forfeits	40,000	40,000	52,273	12,273
Intergovernmental revenue	703,000	315,000	370,480	55,480
Charges for services	575,000	575,000	572,230	(2,770)
Investment earnings	-	-	2,584	2,584
Other	541,100	250,000	190,977	(59,023)
Total revenues	<u>\$ 2,213,100</u>	<u>\$ 1,534,000</u>	<u>\$ 1,589,823</u>	<u>\$ 55,823</u>
Expenditures				
General government	\$ 2,082,750	\$ 1,784,000	\$ 1,909,586	\$ (125,586)
Public safety:				
Police	2,849,500	2,395,900	2,657,491	(261,591)
Fire	1,702,000	1,794,500	1,659,210	135,290
Public works:				
Streets	1,308,200	1,458,200	1,364,494	93,706
Sanitation	682,450	630,000	550,579	79,421
Mechanic shop	301,450	308,000	285,672	22,328
Capital outlay	922,600	922,600	417,930	504,670
Debt service:				
Principal	-	-	117,175	(117,175)
Interest and fiscal fees	-	-	30,782	(30,782)
Total expenditures	<u>\$ 9,848,950</u>	<u>\$ 9,293,200</u>	<u>\$ 8,992,919</u>	<u>\$ 300,281</u>
Excess (deficiency) of revenues before operating transfers	<u>\$ (7,635,850)</u>	<u>\$ (7,759,200)</u>	<u>\$ (7,403,096)</u>	<u>\$ 356,104</u>
Other financing sources (uses)				
Long-term debt issued	\$ -	\$ -	\$ -	\$ -
Operating transfers - in	8,196,400	8,600,000	7,693,484	(906,516)
Operating transfers - out	(1,366,750)	(400,000)	(369,132)	30,868
Total other financing sources (uses)	<u>\$ 6,829,650</u>	<u>\$ 8,200,000</u>	<u>\$ 7,324,352</u>	<u>\$ (875,648)</u>
Net change in fund balance	<u>\$ (806,200)</u>	<u>\$ 440,800</u>	<u>\$ (78,744)</u>	<u>\$ (519,544)</u>
Fund balance - beginning of year	<u>\$ 1,567,501</u>	<u>\$ 1,567,501</u>	<u>\$ 1,567,501</u>	<u>\$ -</u>
Fund balance - end of year	<u>\$ 761,301</u>	<u>\$ 2,008,301</u>	<u>\$ 1,488,757</u>	<u>\$ (519,544)</u>

See Independent Auditor's Report.

TOWN OF VIDALIA, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 HYDRO ROYALTY FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 2,000,000	\$ 2,475,000	\$ 2,744,090	\$ 269,090
Investment earnings	28,000	28,000	17,960	(10,040)
Hydro royalties	23,522,000	25,117,150	25,018,519	(98,631)
Total revenues	<u>\$ 25,550,000</u>	<u>\$ 27,620,150</u>	<u>\$ 27,780,569</u>	<u>\$ 160,419</u>
Expenditures				
Current:				
Other services and charges	\$ 9,673,000	\$ 11,400,000	\$ 11,405,011	\$ (5,011)
Total expenditures	<u>\$ 9,673,000</u>	<u>\$ 11,400,000</u>	<u>\$ 11,405,011</u>	<u>\$ (5,011)</u>
Excess of revenues before operating transfers	<u>\$ 15,877,000</u>	<u>\$ 16,220,150</u>	<u>\$ 16,375,558</u>	<u>\$ 155,408</u>
Other financing sources (uses)				
Operating transfers - out	\$ (4,942,600)	\$ (5,500,000)	\$ (6,186,244)	\$ (686,244)
Total other financing sources (uses)	<u>\$ (4,942,600)</u>	<u>\$ (5,500,000)</u>	<u>\$ (6,186,244)</u>	<u>\$ (686,244)</u>
Net change in fund balance	\$ 10,934,400	\$ 10,720,150	\$ 10,189,314	\$ (530,836)
Fund balance - beginning of year	<u>14,445,639</u>	<u>14,445,639</u>	<u>14,445,639</u>	<u>-</u>
Fund balance - end of year	<u>\$ 25,380,039</u>	<u>\$ 25,165,789</u>	<u>\$ 24,634,953</u>	<u>\$ (530,836)</u>

See Independent Auditor's Report.

TOWN OF VIDALIA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
SALES TAX FUND

JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,400,000	\$ 2,826,400	\$ 2,725,359	\$ (101,041)
Other	5,000	5,000	2,450	(2,550)
Total revenues	<u>\$ 2,405,000</u>	<u>\$ 2,831,400</u>	<u>\$ 2,727,809</u>	<u>\$ (103,591)</u>
Expenditures				
Other services and charges	\$ 186,000	\$ 186,000	\$ 85,943	\$ 100,057
Capital outlay	650,000	344,000	445,612	(101,612)
Total expenditures	<u>\$ 836,000</u>	<u>\$ 530,000</u>	<u>\$ 531,555</u>	<u>\$ (1,555)</u>
Excess (deficiency) of revenues before operating transfers	<u>\$ 1,569,000</u>	<u>\$ 2,301,400</u>	<u>\$ 2,196,254</u>	<u>\$ (105,146)</u>
Other financing sources (uses)				
Operating transfers - out	\$ (1,700,000)	\$ (1,700,000)	\$ (1,585,000)	\$ 115,000
Total other financing sources (uses)	<u>\$ (1,700,000)</u>	<u>\$ (1,700,000)</u>	<u>\$ (1,585,000)</u>	<u>\$ 115,000</u>
Net change in fund balance	\$ (131,000)	\$ 601,400	\$ 611,254	\$ 9,854
Fund balance - beginning of year	<u>452,682</u>	<u>452,682</u>	<u>452,682</u>	<u>-</u>
Fund balance - end of year	<u>\$ 321,682</u>	<u>\$ 1,054,082</u>	<u>\$ 1,063,936</u>	<u>\$ 9,854</u>

See Independent Auditor's Report.

TOWN OF VIDALIA, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, and variances between the final budget and the actual data.

2. Budget Amendments and Revisions

The budget is adopted by the Board of Aldermen. Amendments can be made on the approval of the Board of Aldermen. A budgetary comparison is presented for the General Fund and each major special revenue fund consistent with accounting principles generally accepted in the United States of America.

TOWN OF VIDALIA, LOUISIANA

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
MERS:								
Town's proportion of the net pension liability (asset)	5.226081%	5.149654%	5.635416%	5.226637%	5.269048%	5.305974%	4.798171%	5.022907%
Town's proportionate share of the net pension liability (asset)	\$ 3,027,514	\$ 4,666,751	\$ 4,929,937	\$ 4,420,856	\$ 4,558,953	\$ 4,398,167	\$ 3,261,063	\$ 2,358,237
Town's covered-employee payroll	\$ 4,193,909	\$ 4,025,595	\$ 3,857,966	\$ 3,925,270	\$ 3,570,408	\$ 3,676,422	\$ 3,893,136	\$ 3,329,289
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	72.19%	115.93%	127.79%	118.23%	127.69%	119.63%	83.76%	70.83%
Plan fiduciary net position as a percentage of the total pension liability	79.14%	66.26%	66.14%	65.60%	62.49%	63.34%	68.71%	73.99%
MPERS:								
Town's proportion of the net pension liability (asset)	0.122220%	0.143912%	0.177354%	0.185210%	0.296137%	0.382016%	0.302588%	0.2754518%
Town's proportionate share of the net pension liability (asset)	\$ 651,499	\$ 1,330,082	\$ 1,610,671	\$ 1,565,777	\$ 2,585,401	\$ 3,580,566	\$ 2,370,461	\$ 1,717,406
Town's covered-employee payroll	\$ 525,118	\$ 373,318	\$ 444,504	\$ 518,414	\$ 590,460	\$ 826,659	\$ 1,097,178	\$ 817,650
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	124.07%	356.29%	362.35%	302.03%	437.86%	433.14%	216.05%	210.04%
Plan fiduciary net position as a percentage of the total pension liability	84.09%	70.94%	71.01%	71.89%	70.08%	66.04%	70.73%	75.10%

TOWN OF VIDALIA, LOUISIANA

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
MFRS:								
Town's proportion of the net pension liability (asset)	0.383807%	0.320761%	0.320761%	0.337523%	0.362176%	0.349986%	0.260390%	0.265972%
Town's proportionate share of the net pension liability (asset)	\$ 1,360,155	\$ 2,321,958	\$ 2,008,577	\$ 1,941,459	\$ 2,075,938	\$ 2,289,225	\$ 1,405,354	\$ 1,183,552
Town's covered-employee payroll	\$ 1,084,087	\$ 959,877	\$ 823,679	\$ 783,041	\$ 805,577	\$ 865,789	\$ 863,768	\$ 553,377
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	125.47%	241.90%	243.85%	247.94%	257.70%	264.41%	162.70%	213.88%
Plan fiduciary net position as a percentage of the total pension liability	86.78%	72.61%	73.96%	74.76%	73.55%	68.16%	72.45%	76.02%
LASERS:								
Town's proportion of the net pension liability (asset)	0.006500%	0.00646%	0.006480%	0.00658%	0.00685%	0.00204%	-%	-%
Town's proportionate share of the net pension liability (asset)	\$ 357,648	\$ 534,368	\$ 469,470	\$ 449,024	\$ 482,441	\$ 160,271	\$ -	\$ -
Town's covered-employee payroll	\$ 118,049	\$ 112,760	\$ 111,412	\$ 106,502	\$ 110,762	\$ 99,733	\$ -	\$ -
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	302.97%	473.90%	421.38%	421.61%	435.57%	160.70%	-%	-%
Plan fiduciary net position as a percentage of the total pension liability	72.8%	58.0%	62.9%	64.3%	62.5%	57.7%	-%	-%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

TOWN OF VIDALIA, LOUISIANA
SCHEDULE OF THE TOWN'S CONTRIBUTIONS
YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
MERS:								
Contractually required contribution	\$ 650,056	\$ 623,967	\$ 540,115	\$ 549,538	\$ 473,079	\$ 404,406	\$ 369,990	\$ 316,566
Contributions in relation to the contractually required contribution	<u>(650,056)</u>	<u>(623,967)</u>	<u>(540,115)</u>	<u>(549,538)</u>	<u>(473,079)</u>	<u>(404,406)</u>	<u>(369,990)</u>	<u>(316,566)</u>
Contribution deficiency (excess)	<u>\$ -</u>							
Town's covered-employee payroll	\$ 4,193,909	\$ 4,025,595	\$ 3,857,966	\$ 3,925,270	\$ 3,570,408	\$ 3,676,422	\$ 3,893,136	\$ 3,329,289
Contributions as a percentage of covered-employee payroll	15.50%	15.50%	14.00%	14.00%	13.25%	11.00%	9.50%	9.51%
MPERS:								
Contractually required contribution	\$ 156,223	\$ 125,995	\$ 237,657	\$ 167,189	\$ 181,567	\$ 264,524	\$ 326,838	\$ 258,965
Contributions in relation to the contractually required contribution	<u>(156,223)</u>	<u>(125,995)</u>	<u>(237,657)</u>	<u>(167,189)</u>	<u>(181,567)</u>	<u>(264,524)</u>	<u>(326,838)</u>	<u>(258,965)</u>
Contribution deficiency (excess)	<u>\$ -</u>							
Town's covered-employee payroll	\$ 525,118	\$ 373,318	\$ 444,504	\$ 518,414	\$ 590,460	\$ 826,659	\$ 1,097,178	\$ 817,650
Contributions as a percentage of covered-employee payroll	56.77%	33.75%	53.47%	32.25%	30.75%	32.00%	29.79%	31.67%

TOWN OF VIDALIA, LOUISIANA
SCHEDULE OF THE TOWN'S CONTRIBUTIONS
YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
MFRS:								
Contractually required contribution	\$ 365,879	\$ 314,231	\$ 228,571	\$ 207,506	\$ 213,478	\$ 218,612	\$ 237,764	\$ 163,992
Contributions in relation to the contractually required contribution	<u>(365,879)</u>	<u>(314,231)</u>	<u>(228,571)</u>	<u>(207,506)</u>	<u>(213,478)</u>	<u>(218,612)</u>	<u>(237,764)</u>	<u>(163,992)</u>
Contribution deficiency (excess)	<u>\$ _____</u>							
Town's covered-employee payroll	\$ 1,084,087	\$ 959,877	\$ 823,679	\$ 783,041	\$ 805,577	\$ 865,789	\$ 863,768	\$ 553,377
Contributions as a percentage of covered-employee payroll	33.75%	32.73%	27.75%	26.50%	26.50%	25.25%	27.53%	29.63%
LASERS:								
Contractually required contribution	\$ 67,019	\$ 54,724	\$ 52,251	\$ 46,434	\$ 48,431	\$ 36,004	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>(67,019)</u>	<u>(54,724)</u>	<u>(52,251)</u>	<u>(46,434)</u>	<u>(48,431)</u>	<u>(36,004)</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ _____</u>							
Town's covered-employee payroll	\$ 118,049	\$ 112,760	\$ 111,412	\$ 106,502	\$ 110,762	\$ 99,733	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	56.77%	48.53%	46.90%	43.60%	43.73%	36.10%	-%	-%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

OTHER INFORMATION

TOWN OF VIDALIA, LOUISIANA
 SCHEDULE OF COMPENSATION OF THE GOVERNING BOARD
 YEAR ENDED JUNE 30, 2022

The Governing Board of Town of Vidalia, Louisiana consists of a mayor and five aldermen. For the fiscal year ended June 30, 2022, their compensation was as follows:

Buz Craft, Mayor	\$ 86,121
Jon Betts, Alderman	8,428
Robert Gardner, Alderman	8,428
Thomas Probst, Alderman	8,428
Rosa Demby, Alderman	8,428
Carson Brent Smith, Alderman	<u>8,428</u>
Total	<u>\$ 128,261</u>

See Independent Auditor's Report.

TOWN OF VIDALIA, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

YEAR ENDED JUNE 30, 2022

Agency Head Name: Honorable Buz Craft, Mayor

Salary	\$	86,121
Benefits		22,029
Travel		2,040
Meals		2,656
Lodging		3,157
Fuel		1,695
		<u>117,698</u>

See Independent Auditor's Report.

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF VIDALIA, LOUISIANA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2022

	Special Revenue				Debt Service			Capital Projects				Total Nonmajor Governmen- tal Funds		
	Ambulance Fund	City Marshall Fund	Town Court Fund	Hotel Occupancy Fund	Total	Sales Tax Sinking Fund	USDA Debt Reserve Fund	Total	LCDBG Fund	Industrial Port Fund	Industrial Park Fund		Port Access Fund	Total
Assets														
Cash and cash equivalents	\$ 51,233	\$ 209	\$ 301,650	\$ 569,749	\$ 922,841	\$ 455	\$ 320,889	\$ 321,344	\$ 1	\$ 10,048	\$ 17,121	\$ 626	\$ 27,796	\$ 1,271,981
Receivables (net of allowance for uncollectibles)	55,913	-	20,915	-	76,828	-	-	-	-	-	-	-	-	76,828
Due from other agencies	-	-	-	-	-	-	-	-	-	-	198,559	-	198,559	198,559
Due from other governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	587,952	1,230	-	-	589,182	-	-	-	-	200,000	1,020	-	201,020	790,202
Total assets	\$ 695,098	\$ 1,439	\$ 322,565	\$ 569,749	\$ 1,588,851	\$ 455	\$ 320,889	\$ 321,344	\$ 1	\$ 210,048	\$ 216,700	\$ 626	\$ 427,375	\$ 2,337,570
Liabilities and Fund Balances														
Liabilities:														
Accounts payable	\$ 23,841	\$ -	\$ -	\$ 23,959	\$ 47,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,538	\$ 6,280	\$ 11,818	\$ 59,618
Accrued liabilities	7,343	-	-	-	7,343	-	-	-	-	-	258	-	258	7,601
Due to other funds	26,559	-	6,475	-	33,034	-	-	-	-	210,048	114	304,042	514,204	547,238
Other liabilities	-	-	130,905	-	130,905	-	-	-	-	-	-	-	-	130,905
Total liabilities	\$ 57,743	\$ -	\$ 137,380	\$ 23,959	\$ 219,082	\$ -	\$ -	\$ -	\$ -	\$ 210,048	\$ 5,910	\$ 310,322	\$ 526,280	\$ 745,362
Fund balances:														
Restricted for:														
Capital projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ 210,790	\$ (309,696)	\$ (98,905)	\$ (98,905)
Debt service	-	-	-	-	-	455	320,889	321,344	-	-	-	-	-	321,344
Assigned	637,355	1,439	185,185	545,790	1,369,769	-	-	-	-	-	-	-	-	1,369,769
Total fund balances	\$ 637,355	\$ 1,439	\$ 185,185	\$ 545,790	\$ 1,369,769	\$ 455	\$ 320,889	\$ 321,344	\$ 1	\$ -	\$ 210,790	\$ (309,696)	\$ (98,905)	\$ 1,592,208
Total liabilities and fund balances	\$ 695,098	\$ 1,439	\$ 322,565	\$ 569,749	\$ 1,588,851	\$ 455	\$ 320,889	\$ 321,344	\$ 1	\$ 210,048	\$ 216,700	\$ 626	\$ 427,375	\$ 2,337,570

TOWN OF VIDALIA, LOUISIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2022

	Special Revenue				Total	Debt Service			LCDBG Fund	Capital Projects			Total	Total Nonmajor Governmental Funds
	Ambulance Fund	City Marshall Fund	Town Court Fund	Hotel Occupancy Fund		Sales Tax Sinking Fund	USDA Debt Reserve Fund	Total		Industrial Port Fund	Industrial Park Fund	Port Access Fund		
Revenues														
Sales and use	\$ 681,338	\$ -	\$ -	\$ 308,186	\$ 989,524	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 989,524
Intergovernmental revenues:														
State	35,343	5,775	-	-	41,118	-	-	-	-	-	25,022	-	25,022	66,140
Fines	-	9,480	58,573	-	68,053	-	-	-	-	-	-	-	-	68,053
Investment earnings	53	-	-	-	53	-	-	-	-	-	182	-	182	235
Other revenues	91,534	-	-	-	91,534	-	-	-	-	-	18,496	-	18,496	110,030
Total revenues	\$ 808,268	\$ 15,255	\$ 58,573	\$ 308,186	\$ 1,190,282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,700	\$ -	\$ 43,700	\$ 1,233,982
Expenditures														
General government	\$ -	\$ 26,729	\$ 199,517	\$ 101,870	\$ 328,116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123,349	\$ 51,861	\$ 175,210	\$ 503,326
Public safety	774,030	-	-	-	774,030	-	-	-	-	-	-	-	-	774,030
Capital outlay	12,031	-	-	-	12,031	-	-	-	-	-	-	67,036	67,036	79,067
Debt service:														
Principal	-	-	-	-	-	-	111,618	111,618	-	-	-	-	-	111,618
Interest and fiscal fees	-	-	-	-	-	-	214,710	214,710	-	-	-	-	-	214,710
Total expenditures	\$ 786,061	\$ 26,729	\$ 199,517	\$ 101,870	\$ 1,114,177	\$ -	\$ 326,328	\$ 326,328	\$ -	\$ -	\$ 123,349	\$ 118,897	\$ 242,246	\$ 1,682,751
Excess (deficiency) of revenues over expenditures	\$ 22,207	\$ (11,474)	\$ (140,944)	\$ 206,316	\$ 76,105	\$ -	\$ (326,328)	\$ (326,328)	\$ -	\$ -	\$ (79,649)	\$ (118,897)	\$ (198,546)	\$ (448,769)
Other financing sources (uses)														
Transfers - in	\$ -	\$ 10,171	\$ 193,710	\$ -	\$ 203,881	\$ -	\$ 358,961	\$ 358,961	\$ -	\$ -	\$ 27,000	\$ 78,600	\$ 105,600	\$ 668,442
Transfers - out	-	-	(78,093)	-	(78,093)	-	-	-	-	-	(10,000)	-	(10,000)	(88,093)
Total other financing sources (uses)	\$ -	\$ 10,171	\$ 115,617	\$ -	\$ 125,788	\$ -	\$ 358,961	\$ 358,961	\$ -	\$ -	\$ 17,000	\$ 78,600	\$ 95,600	\$ 580,349
Net change in fund balance	\$ 22,207	\$ (1,303)	\$ (25,327)	\$ 206,316	\$ 201,893	\$ -	\$ 32,633	\$ 32,633	\$ -	\$ -	\$ (62,649)	\$ (40,297)	\$ (102,946)	\$ 131,580
Fund balances - beginning	\$ 615,148	\$ 2,742	\$ 210,512	\$ 339,474	\$ 1,167,876	\$ 455	\$ 288,256	\$ 288,711	\$ 1	\$ -	\$ 273,439	\$ (269,399)	\$ 4,041	\$ 1,460,628
Fund balances - ending	\$ 637,355	\$ 1,439	\$ 185,185	\$ 545,790	\$ 1,369,769	\$ 455	\$ 320,889	\$ 321,344	\$ 1	\$ -	\$ 210,790	\$ (309,696)	\$ (98,905)	\$ 1,592,208

TOWN OF VIDALIA, LOUISIANA
VIDALIA TOWN COURT FUND
LLA ENTITY ID: 2326

JUSTICE SYSTEM FUNDING REPORTING SCHEDULE – COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION –
CASH BASIS PRESENTATION

FOR THE YEAR ENDED JUNE 30, 2022

	First Six Month Period Ended <u>December 31, 2021</u>	Second Six Month Period Ended <u>June 30, 2022</u>
Beginning Balance of Amounts Collected	\$ 84,262	\$ 67,913
Add: Collections		
Criminal fines - other	\$ 77,948	\$ 80,469
Subtotal collections	<u>\$ 77,948</u>	<u>\$ 80,469</u>
Less: Disbursements to governments and nonprofits		
Louisiana Commission on Law Enforcement- Crime Victims Reparation Fund	\$ (490)	\$ (436)
Central LA Juvenile Detention Facility, Criminal Court Costs	(1,237)	(1,064)
Indigent defender, bond forfeitures, and fines collected	(7,470)	(6,390)
Treasurer, State of Louisiana - CMIS, criminal convictions	(498)	(426)
Louisiana Supreme Court, civil and traffic filings	(88)	(76)
North Louisiana Crime Lab, bond forfeitures, and fees collected	(4,440)	(3,800)
Applied Technology, DWI	(300)	(225)
Town of Vidalia, general fund - criminal fees	(29,116)	(20,422)
Vidalia Town Marshal Fund	(4,980)	(4,260)
Town of Vidalia, general fund - bond fees	<u>(540)</u>	<u>(20)</u>
Less: Amounts retained by collecting agency		
Vidalia Town Court - criminal fees, other	\$ (45,098)	\$ (29,024)
Less: Disbursements to individuals/third party collection or processing agencies		
Sisera Ruchey Cole, refund	\$ (40)	\$ -
Subtotal disbursements/retainage	<u>\$ (94,297)</u>	<u>\$ (65,654)</u>
Ending Balance of Amounts Collected but not Dispersed	<u>\$ 67,913</u>	<u>\$ 82,239</u>
Other Information:		
Ending balance of amounts assessed but not yet collected	\$ -	\$ -
Total waivers during the fiscal period	<u>\$ -</u>	<u>\$ -</u>

TOWN OF VIDALIA, LOUISIANA
 VIDALIA TOWN MARSHAL FUND
 LLA ENTITY ID: 2326

JUSTICE SYSTEM FUNDING REPORTING SCHEDULE – RECEIVING ENTITY
 AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION –
 CASH BASIS PRESENTATION

FOR THE YEAR ENDED JUNE 30, 2022

	First Six Month Period Ended <u>December 31, 2021</u>	Second Six Month Period Ended <u>June 30, 2022</u>
Receipts From:		
Vidalia Town Court Fund – criminal fees	\$ <u>4,980</u>	\$ <u>4,260</u>
Subtotal receipts	\$ <u>4,980</u>	\$ <u>4,260</u>
Other Information:		
Ending balance of amounts assessed but not received	\$ <u>-</u>	\$ <u>-</u>

TOWN OF VIDALIA, LOUISIANA
 VIDALIA GENERAL FUND
 LLA ENTITY ID: 2326

JUSTICE SYSTEM FUNDING REPORTING SCHEDULE – RECEIVING ENTITY
 AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION –
 CASH BASIS PRESENTATION

FOR THE YEAR ENDED JUNE 30, 2022

	First Six Month Period Ended <u>December 31, 2021</u>	Second Six Month Period Ended <u>June 30, 2022</u>
Receipts From:		
Vidalia Town Court Fund, criminal fees	\$ 29,116	\$ 20,422
Vidalia Town Court Fund, bond fees	<u>540</u>	<u>20</u>
Subtotal receipts	<u>\$ 29,656</u>	<u>\$ 20,442</u>
Other Information:		
Ending balance of amounts assessed but not received	<u>\$ -</u>	<u>\$ -</u>

REPORTS ON INTERNAL CONTROLS AND COMPLIANCE



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 Monroe, LA 71201
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 Monroe, LA 71211
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
 OVER FINANCIAL REPORTING AND ON COMPLIANCE
 AND OTHER MATTERS BASED ON AN AUDIT OF
 THE FINANCIAL STATEMENTS
 PERFORMED IN ACCORDANCE WITH
 GOVERNMENT AUDITING STANDARDS**

Mayor and Members of the Board of Aldermen
 Town of Vidalia, Louisiana
 Vidalia, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Vidalia, Louisiana (the Town), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 13, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Silas Simms, LLP".

Natchez, Mississippi
December 13, 2022

SCHEDULE OF FINDINGS

TOWN OF VIDALIA, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

SECTION 1: SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

- | | | |
|----|---|-------------|
| 1. | Type of auditor's report issued on the basic financial statements: | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiencies identified that are not considered to be material weaknesses? | No |
| 3. | Material noncompliance relating to the basic financial statements? | No |

TOWN OF VIDALIA, LOUISIANA
CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2022

Section I – Financial Statement Findings

None.

TOWN OF VIDALIA, LOUISIANA
CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2022

Section II - Internal Control and Compliance Material to Federal Awards

None.

Section III - Management Letter

No management letter issued.

TOWN OF VIDALIA, LOUISIANA
STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

Ref No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action /Partial Corrective Action Taken
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Section I - Financial Statement Findings

None.

Section II - Internal Control and Compliance Material to Federal Awards

None.

Section III - Management Letter

No management letter issued.

TOWN OF VIDALIA, LOUISIANA

AGREED-UPON PROCEDURES

JUNE 30, 2022



209 N. Commerce St.
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P. O. Box 1027
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Tel: 601-442-7411
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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Mayor and the Board of Aldermen of Town of Vidalia, Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in the attached supplement to this report on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Town of Vidalia's management is responsible for those control and compliance areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the control and compliance areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and findings are included in the supplement to this report.

We were engaged by the Town to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Silas Simmons, LLP

Natchez, Mississippi
December 13, 2022

**TOWN OF VIDALIA, LOUISIANA
SUPPLEMENTAL SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
 - b) *Purchasing*, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and orders, (4) controls to ensure compliance with the public bid law, and (5) documentation required to be maintained for all bids and price quotes.
 - c) *Disbursements*, including processing, reviewing, and approving.
 - d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cut-off procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
 - j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k) *Information Technology Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
 - l) *Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: We reviewed the written policies and procedures for the related functions listed above in the procedures and we found that the Town has appropriate policies and procedures for each of the above procedures with the exception of sexual harassment. The Town currently has written policies and procedures regarding sexual harassment, however the version in place at June 30, 2022 did not include the required verbiage regarding annual employee training and the Town's annual sexual harassment report. We did note that the Town is currently in the process of approving an updated policy with the required verbiage.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public fund if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Findings: We obtained a copy of the Town's minutes for the fiscal period. We reviewed the minutes to determine whether the managing board met on a frequency in accordance with the board's enabling legislation, charter, or equivalent document. We reviewed the minutes to determine whether they referenced or included monthly budget-to-actual comparisons. We obtained a copy of the prior year audit report and observed the unrestricted fund balance in the general fund as being negative and a plan is in place to eliminate the negative unrestricted fund balance.

No exceptions were noted during the above procedures.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: We obtained a listing of bank accounts from the list management gave for bank confirmations and had management identify the main operating bank account. We selected the main operating bank account and randomly selected four additional bank accounts. We obtained the related bank statements and randomly selected one month from the fiscal period to review whether bank reconciliations had been prepared within two months of the related statement closing date. There were no items outstanding for greater than 12 months.

No exceptions were noted during the above procedures.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).

Findings: We reviewed a listing of deposit sites for the fiscal period and management's representation that the listing is complete. The Town only has two deposit sites.

No exceptions were noted on the above procedures.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Findings: We obtained a listing of collection locations and management's representation that the listing is complete. The Town has four collection locations at the two deposit sites. We obtained written policies and procedures and inquired of management and employees to determine whether employees who are responsible for cash collections do not share cash drawers/ registers, do not prepare/ make bank deposits, and are not responsible for posting collection entries to the general ledger or subsidiary ledgers, and employees responsible for reconciling cash collections to the general ledger or subsidiary ledger(s) are not responsible for collecting cash.

No exceptions were noted on the above procedures.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Findings: We inquired of management to determine if they are covered by a bond or insurance policy for theft to determine that there is a blanket policy covering theft.

No exceptions were noted during the above procedures.

7. Randomly select two deposit dates for each of the five bank accounts selected for Procedure 3 under "Bank Reconciliations" (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

Findings: We randomly selected two deposit dates for each of the five bank accounts selected under Procedure 3 and performed the procedures above by observing that receipts are sequentially pre-numbered and traced to collection documentation and the bank statements. We observed that deposits were made within one business day of receipt and that the deposits were traced from the bank statements to the general ledger.

No exceptions were noted during the above procedures.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).

Findings: We obtained a list of locations that process payments and management's representation that the listing is complete. The Town has two locations for processing payments.

No exceptions were noted during the above procedures.

- 9. For each location selected under Procedure 8, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties) and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Findings: Using the Town's two locations, we inquired of employees involved with non-payroll purchasing and payment functions and obtained written policies and procedures.

No exceptions were noted during the above procedures.

10. For each location selected under Procedure 8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction, and:
- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under Procedure 9, as applicable.

Findings: For each location from Procedure 8, we obtained the nonpayroll disbursement transaction population and management's representation that the population is complete. We randomly selected five disbursements and obtained the documentation that the disbursement matched the related original invoice and the related documentation that the related documentation included evidence of segregation of duties tested under Procedure 9.

No exceptions were noted during the above procedures.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-Cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Findings: We obtained a listing of all active cards from management and management's representation that the listing was complete. The Town has five accounts for cards.

No exceptions were noted during the above procedure.

12. Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Findings: We selected the monthly statements for the five accounts for one month randomly selected and observed that the statements were reviewed and approved.

No exceptions were noted during the above procedures.

13. Using the monthly statements or combined statements selected under Procedure 12, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Findings: For four of the statements, 10 transactions were selected and supporting documentation was obtained. Each transaction was supported by an original itemized receipt that identified what was purchased, written documentation of the business/public purpose, and documentation of the individuals who participated in meals for meal charges. One statement was excluded due to being for the Town's fuel cards.

No exceptions were noted during the above procedure.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (Procedure 1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: We obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and obtained management's representation that the listing is complete. We randomly selected five reimbursements and obtained the supporting documentation to observe how the reimbursement was determined, what the purpose was, and if the reimbursement was approved appropriately.

No exceptions were noted during the above procedure.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Findings: We obtained a list of all contracts in effect during the fiscal period and management's representation that the listing is complete. We observed that the contract was in accordance with the Louisiana Public Bid Law and observed that the contract was approved by the governing body/board. We randomly selected one payment from the fiscal period, the supporting invoice, and agreeing the invoice to the contract terms.

No exceptions were noted during the above procedures.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Findings: We obtained a listing of employees with their related salaries and randomly selected five employees to determine if compensation paid to them was in compliance with the terms of their employment contract. We also checked for any changes made to hourly pay rates/ salaries during the fiscal period

No exceptions were noted during the above procedures.

17. Randomly select one pay period during the fiscal period. For the five employees or officials selected under Procedure 16, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Findings: We randomly selected one pay period during the fiscal period. In the selected pay period, for the five employees selected in Procedure 16, we observed that the five employees documented their daily attendance and leave, had their attendance and leave approved by the appropriate person, had their leave appropriately reflected in the Town's cumulative leave records, and had a written documentation that the Town maintained written leave record on the selected employees.

No exceptions were noted during the above procedures.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Findings: We inquired with management as to whether any employees/ officials were terminated during the fiscal period. We selected two terminated employees and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the Town's policy on termination payments.

We agreed the hours to the employee's cumulative leave records, pay rates to the authorized pay rates in the employees' personnel files, and compared the termination payments to the Town's policy.

No exceptions were noted during the above procedures.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Findings: We reviewed remittances and cancelled checks to verify payroll taxes were remitted timely to appropriate agencies.

No exceptions were noted during the above procedures.

Ethics

20. Using the five randomly selected employees/officials from Procedure 16 under "Payroll and Personnel," obtain ethics documentation from management and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Findings: For the five employees selected from Procedure 16, we observed documentation that demonstrates each employee completed one hour of ethics training during the fiscal period and documentation that demonstrates each employee attested through signature verification that he or she has read the Town's policy during the fiscal period.

No exceptions were noted during the above procedures.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Findings: We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period, and we obtained management's representation that the listing is complete. We selected all debt instruments on the listing, and obtained supporting documentation.

No exceptions were noted during the above procedures.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings: The Town is in compliance with its debt covenants.

No exceptions were noted during the above procedures.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Findings: Management is not aware of any misappropriation of public funds.

No exceptions were noted during the above procedures.

24. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings: Management has posted the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Findings: We obtained the Town's most recent documentation that it has backed up its critical data and verified that the backups can be restored. We performed the above procedures and discussed the results with management.

No exceptions were noted during the above procedures.

Sexual Harassment

26. Using the five randomly selected employees/officials from Procedure 16 under "Payroll and Personnel," obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Findings: Using the five randomly selected employees/officials from Procedure 16, we found that the Town has adequate documentation that each employee/official completed at least one hour of sexual harassment training during the calendar year.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Findings: The Town has posted its sexual harassment policy and complaint procedures.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Findings: We obtained the Town's annual sexual harassment report dated before February 1.

TOWN OF VIDALIA, LOUISIANA
SCHEDULE OF EXCEPTIONS
FOR THE YEAR ENDED JUNE 30, 2022

<u>Reference No.</u>	<u>Description of Exception</u>
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Written Policies and Procedures

Procedure 1	The Town currently has written policies and procedures regarding sexual harassment, however the version in place at June 30, 2022 did not include the required verbiage regarding annual employee training and the Town's annual sexual harassment report.
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Management Response

We have reviewed the Supplemental Schedule of Agreed-Upon Procedures and Findings for the year ended June 30, 2022, and agree to the exception noted. It is our intent to correct the exception in order to be in compliance with the LLA's guidelines proposed in the report.